

French suggest economic summit talks in Britain

President Giscard d'Estaing suggested yesterday that the next economic summit meeting of the industrialized Western nations should be held in Britain. According to an unconfirmed report, Mr Callaghan will visit Washington next month.

Giscard surprise on April venue

From Paul Martin
Paris, Jan 4

President Giscard d'Estaing suggested today that the next economic summit meeting of the seven main industrialized states could be held in Britain.

The suggestion, which appears to have taken everyone—including the British—by surprise, was made when the French President met the press at the Elysée Palace.

Previous economic summits have taken place in Rambouillet and Puerto Rico, and it has been felt that this year's gathering might be held in Tokyo. The Japanese had made known their desire to be hosts for the meeting. However, Mr Giscard d'Estaing made it clear that he thought the summit should take place in Europe.

This would ensure an early visit to Europe by Mr Jimmy Carter, a factor that must loom large in the French President's thinking. Mr Giscard d'Estaing would like to see the new American President helping the West European nations to come to grips with the economic realities that face them.

Although Mr Giscard d'Estaing gave the impression that the question remained open, his suggestion that Britain should be the venue for the meeting appeared deliberate. He obviously feels that the problems facing Britain at the moment are a suitable reminder for other Western countries—not least of them France—of how difficult is the economic path ahead.

From the United States, Britain and France, the other countries taking part in the summit will be West Germany, Italy, Japan and Canada.

No date for the next summit meeting has yet been fixed, but Mr Giscard d'Estaing said today that it would almost certainly take place in April. This would allow time for Mr Carter to settle into the presidential chair.

Mr Giscard d'Estaing's suggestion that Britain should be the venue is in keeping with his thinking. He has followed with a more than neighbourly interest the British Government's efforts to overcome its economic problems. His sentiments were clearly expressed at the November meeting in Rambouillet with Mr Callaghan when full French support was given for Britain's application for a loan from the International Monetary Fund.

France is itself preoccupied with economic problems. Mr Giscard d'Estaing made it clear in his new year message that these were his Government's primary concern at present.

At the end of his talks with Mr Callaghan two months ago, the French President declared that Britain's attempts to solve the problems of its sterling balances had the full support of France.

Although dubbed the "poor man's summit" at the time, there is no doubt that the November meeting laid the foundations for an important new relationship. President Giscard d'Estaing's latest suggestion is looked upon as reflecting that relationship.

David Blake writes: The first six months of 1977 will see an increasing round of international meetings in Britain, some of which will result from Britain's chairmanship of the European Community and others from the celebration of the Queen's Jubilee.

Prospects for the world economy in general and for an economic summit meeting in particular may be raised during the visit to London next Tuesday of M Barre, the French Prime Minister. He is expected to meet Mr Callaghan and Mr Healey, Chancellor of the Exchequer.

Mr Callaghan 'first on Carter guest list'

By David Sparrow
Diplomatic Correspondent

The Prime Minister will pay an official visit to Washington in the first half of next month to meet Mr Jimmy Carter while in weeks of his inauguration as President on January 20.

The agency report added that Mr Callaghan would probably be the first head of government to meet the new President, by virtue of Britain being chairman of the EEC Council of Ministers.

He would be speaking both as British Prime Minister and representative of the Nine.

Mr Callaghan is expected to be accompanied by Mr Crossland, the Foreign Secretary, and advisers on European, African, economic and monetary questions, the report said.

One of the topics to be discussed will be the proposed economic summit, strongly favoured by Mr Callaghan.

President-elect to surrender his share of peanut-broking business while in office

From Fred Emery
Washington, Jan 4

Mr Jimmy Carter announced today that he is giving up for the duration of his presidency his share in the highly successful family peanut-broking warehouse business in Plains, Georgia.

The annual turnover of the business is reputed to be about \$10m (almost £6m). When Mr Carter inherited it from his father in 1953, it was in debt.

The President-elect announced the decision as part of his determination to clear himself and all his nominees of financial interest problems. His Cabinet members will, once he is inaugurated, be required to make full financial disclosures, and to pledge themselves to serve in Government for a full term, and not to return to private industry jobs related to their Government functions until a certain period has elapsed.

Mr Carter's press secretary, Mr Jody Powell, described today's announcements as Mr Carter's first step towards meeting his campaign pledge "to attempt to restore the confidence of the American people in their own Government."

American Government officials, from the President down, have in recent times put their private finances into so-called "blind trusts" and are supposed to be kept unaware of developments until they leave office.

Although Mr Carter's arrangements are described as more stringent, details were not available at the time of writing that would enable full comparisons to be made.

For instance, Mr Carter's staff were unable to explain what would happen to holdings by Mr Carter's partner—his brother Billy and his mother.

Widespread damage as explosions wreck whisky bond

From Ronald Faux
Glasgow

Three violent explosions which shook the centre of Glasgow and were heard 20 miles from the city, wrecked a whisky bond and container store area at Renfrew yesterday. No one was badly hurt but damage to Renfrew Freighter depot and buildings within a mile of it was heavy.

The blast carried across the Clyde and broke windows in Clydebank. It shattered 30 plate-glass windows at Renfrew Airport hotel a mile away and damaged Braehead power station near by.

Strathclyde Fire Brigade said last night that three people with shock and cuts caused by flying glass had been detained in hospital. Eighty firemen fought a fierce fire at the site of the explosions.

Mr Thomas Middleton, aged 46, of Glasgow, a security officer, was alone on duty at the depot when the explosion ripped apart two of the buildings.

The rest of the staff, about a hundred people, were away on New Year holiday.

For several hours after the explosions police officers toured the Renfrew area asking parents to check that their children and neighbours were safe.

Last night forensic scientists were seeking the cause of the explosions.

The two wrecked warehouses, each 100ft long, contained bonded whisky, chemicals, and agricultural equipment. Two other buildings at the depot, owned by Clyde Port Authority, were damaged.

Blazing spirits: Mr Richard Knowlton, Strathclyde's Regional Firemaster, said that at one stage his men had to fight a running fire in the explosion area, with blazing spirit leaking from damaged barrels (the Press Association reports).

Chief Supt Gordon Paterson said the main explosion was in a general cargo shed, which contained chemicals, tyres, combine harvesters, and other vehicles.

Gas explosions: Three gas explosions yesterday, at Liverpool, Huddersfield and Sutton-in-Ashfield, Nottinghamshire, injured three people and brought the total of serious gas explosions to six in the past week (a Staff Reporter writes).

The three people were taken to hospital after an explosion had damaged a terrace house in Venmore Street, Liverpool. Mrs Isabella Duffy, aged 79, who lived in the house, and two neighbours left hospital after being treated for shock.

The North West Gas Board said a three-inch main outside the house had fractured and the gas had seeped into the cellar of the house, where it had been ignited, possibly when a fire was lit.

Tyre marks suggested that the fracture had been caused by heavy traffic, probably lorries, driving over the pavement above the main. Paving stones there had been cracked.

A fractured main was also responsible for the explosion in Sharp Lane, Huddersfield. The occupants of the house, Mr and Mrs Charles Ellis and their two children, were asleep and escaped unhurt, but the house was badly damaged.

The North Eastern Gas Board said an eight-inch main about a hundred yards from the house had been fractured, but it was not able to say why. It was thought that gas leaked into the house through a drain and ignited when an automatic boiler switched itself on.

At Sutton-in-Ashfield a terrace house in Silk Street was badly damaged by a gas explosion, which demolished a kitchen wall and blew a door through the front window. The house was unoccupied and no one was injured. Workmen from the East Midlands Gas Board were in the street at the time searching for a leak.

The board said the explosion was believed to have been caused by gas building up in a pipe. A section of piping had been sent to the Gas Research Station for examination.

Publicity about the week's incidents and appeals from gas boards to report leaks have brought a big increase in the number of emergency calls. The South Eastern Gas Board said yesterday: "We are getting about 50 per cent more calls about leaks than usual." Most were false alarms, but the board added: "We are happy that people are keeping so alert."

Oxygen explosion: Workmen escaped injury and little damage was done when an explosion shook the British Rail engineering works at Crews, Cheshire, yesterday (our Crews correspondent writes). It occurred in a pipe carrying oxygen through the fabrication shop.

Our Energy Correspondent writes: British Gas has set up a team of engineers in London to coordinate the results of investigations into the present state of explosions.

The corporation says that the number of serious accidents has not varied greatly since 1968, although the number of people using gas during that time has increased fourfold. A serious accident is one that causes more than £100 worth of damage to property, serious injury, or death.

Photograph, page 2

Peace group drive in Ulster schools

From Christopher Walker
Belfast

The Northern Ireland peace movement is to start a campaign against the system of segregated education, which its leaders believe is one of the main causes of the continuing sectarian violence in Ulster.

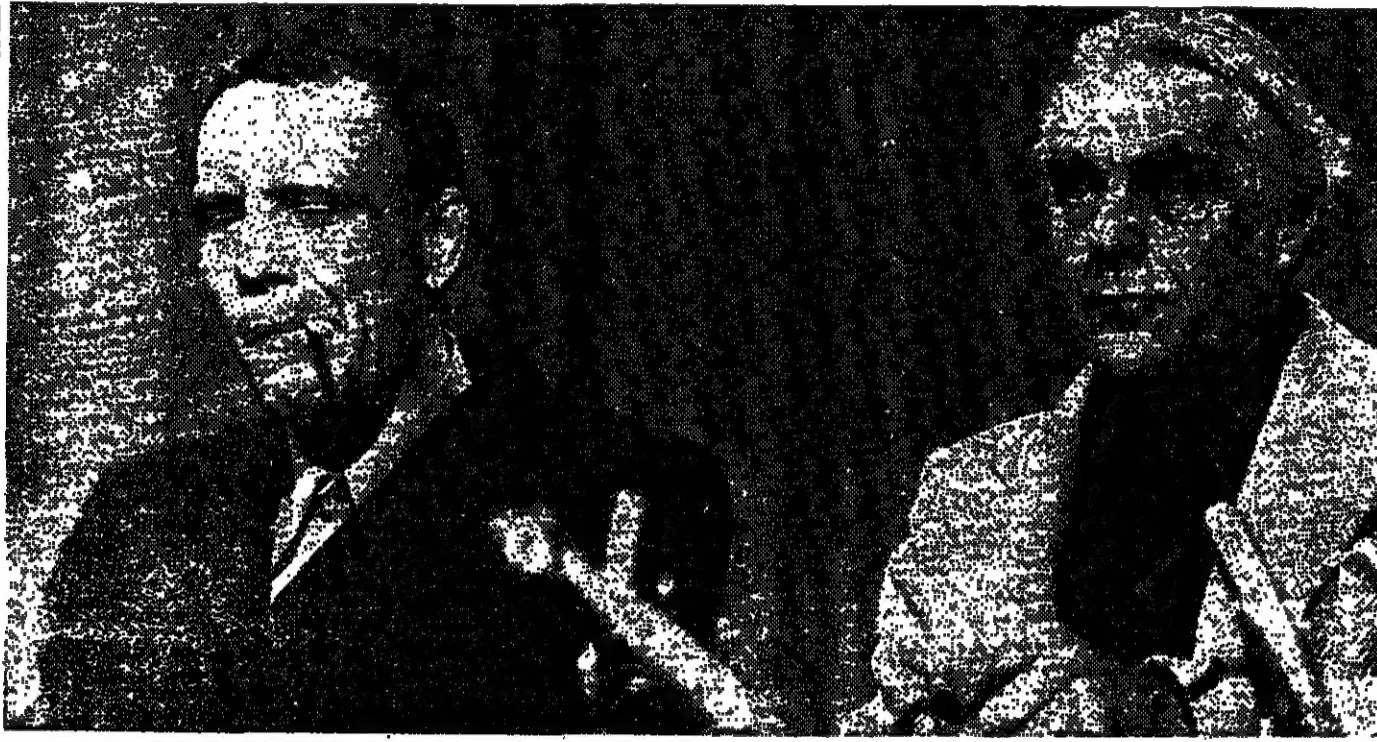
All Roman Catholic and Protestant schools in Belfast have been asked to send three representatives each to a conference to be held at Methodist College, in the city, at the end of the month.

The move comes after the establishment of peace groups in eight schools of both religions that have been visited by Miss Mairead Corrigan, a co-founder of the movement.

An offer by the movement to buy minibuses to enable schoolchildren of different denominations to travel across Belfast to take part in extracurricular activities, including sports, with children of the opposite religion, will be put to the meeting.

Miss Corrigan, a Roman Catholic, intends to devote much of her time to attending meetings at local schools. Those she has addressed so far included one hard-line Protestant boys' school.

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Mr Vladimir Bukovsky, the Soviet dissident freed in exchange for a Chilean Communist leader, with Mr David Markham, the actor (right) at Heathrow airport. Report, page 5.

Britain gets back to its old work pattern

Only normal absenteeism was reported from most areas as the main workforce returned after the extended Christmas holidays. Many workers had been away for up to a fortnight and the prolonged break apparently persuaded them not to take the extra unofficial day off that has become almost traditional in some areas. Coal-

Fleet Street troubles may jeopardize NPA

By Christopher Thomas
Labour Staff

Industrial trouble in Fleet Street over the Christmas and New Year period, which for two days halted production of most newspapers, is leading to serious questions about the future of the Newspaper Publishers Association.

Some members of the NPA are saying privately that the organization may be in danger unless there is greater unity of action. There is concern that economic pressures are leading some newspapers to take steps not in line with NPA strategy.

Twice over the Christmas and New Year period publication was halted in all newspapers in the NPA apart from the Daily Express and The Guardian, because of disputes over Bank holiday payments.

Most national newspapers, not including The Times, offered the printing union payment of three hours' overtime in addition to the day's pay for working on the issue. It was published on the morning of December 28 and January 3.

Production of yesterday morning's issue of the Financial Times, which had announced at the end of December that it would not publish on January 3, was stopped by printing workers' unofficial action.

The Daily Mirror, which is not an NPA member, lost its London print on four successive days over the holiday.

Managements are now awaiting the outcome of ballots among Fleet Street unions on the document, Programme for Action, produced by the national newspaper industry's joint standing committee. So far the shop-floor response has been unfavourable.

Losses in December because of unofficial industrial disputes in Fleet Street exceeded 30 million copies.

Mr Richard still optimistic

Mr Ivor Richard, the Rhodesia conference chairman, has arrived in Botswana for the fourth country in his African shuttle. Still radiating optimism, he said that a peaceful agreement between the Rhodesian Government and the black nationalists can be achieved. A visit to Mozambique and Tanzania will complete the first stage of his diplomatic journey. Page 6

Zionists accused of PLO killing

A Mauritanian in charge of the Palestine Liberation Organisation (PLO) office in Paris, who was shot dead outside a city bookshop, was the victim of a Zionist plot, the PLO alleged yesterday. He was Mr Mahmoud Saleh, aged 38. Page 4

Mr Rabin tries to end crisis

Mr Rabin, the Israeli Prime Minister, was charged yesterday by President Katsir with forming a new government. Permission to bury Mr Ofir, the Housing Minister, in a cemetery, in spite of his suicide, was given by the rabbinical authorities. Page 6

Policy institute proposed

A policy institute designed to bring together academics engaged in research and analysis with politicians and civil servants responsible for shaping public policy may be formed in London by the end of this year. Page 4

Cost of drink in industry

Excessive drinking by at least 1.5 million people is costing Britain millions of pounds because of wrong decisions and accidents, according to the National Council on Alcoholism. It suggests a code of practice to help sufferers. Page 2

Pit retirement

An improved offer on early retirement for mineworkers will be made by the National Coal Board today. Last month the miners voted in favour of industrial action, if necessary, but there is scope for compromise. Page 2

Former Prague minister on spying charge

Prague, Jan 4.—Mr Josef Grohman, aged 56, a former deputy Culture Minister and Czechoslovak representative at Unesco, has been arrested on suspicion of spying for the West.

WE'RE VERY MUCH AT HOME IN AN ENGLISH COUNTRY GARDEN

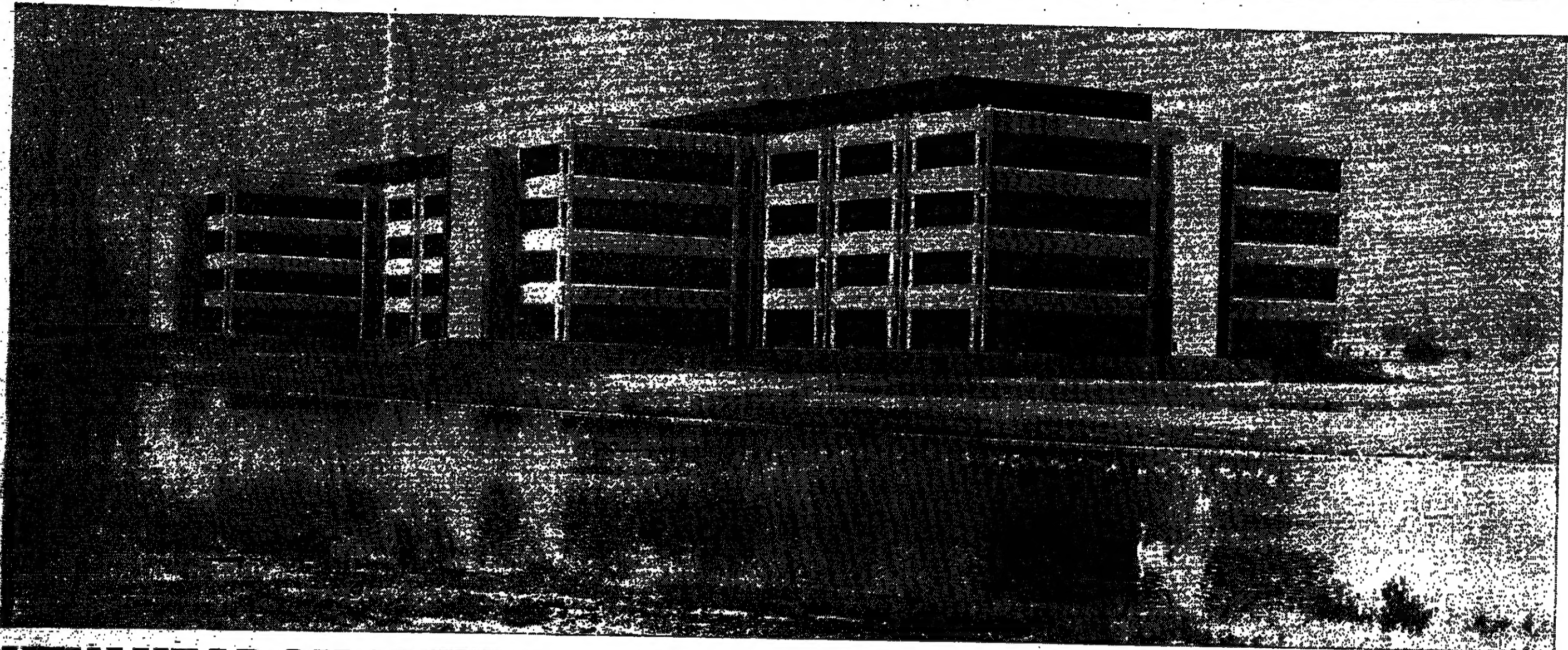


There's a lot more to KFR than town and country houses. We handled all the property transactions for the Covent Garden Market Authority in its move to Nine Elms. Who knows? One day we may be reminding you that we have a residential side too.

Knight Frank & Rutley
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IBM'S LATEST VOTE OF CONFIDENCE IN THE BRITISH ECONOMY



NEW HEADQUARTERS MARKS IBM'S 25TH ANNIVERSARY IN THE UK

IBM was established in Britain in 1951 - when ration books were more common than cheque books. IBM has been investing in Britain ever since.

Only last month IBM inaugurated its new UK headquarters, at North Harbour, Portsmouth. One of the largest fully air-conditioned buildings in the country, it houses 1,400 staff, of whom over 700 were recruited locally.

The new four-storey building is on a 125-acre site which IBM reclaimed from the sea as a major part of the Portsmouth Harbour reclamation scheme. It occupies 360,000 square feet - more than twice the area of the previous London head office.

Adjacent to it is another new building - of 107,000 square feet - which houses a large computer complex, the European hub of an internal information system that links computers in major IBM locations around the world.

North Harbour is just one example of IBM's continuing investments in Britain. Three other building projects are under way:

The manufacturing plant at Greenock in Scotland is being extended. Other work over the next two years will bring the total building area to 600,000 square feet.

A new block at the Hursley development laboratory near Winchester - IBM's largest outside the USA - will be ready for use in the summer.

And due for completion at about the same time is the first phase of the company's new multi-million-pound Midlands Marketing Centre at Warwick.

In addition, a number of other projects are at the planning stage, including the recently-acquired 37-acre site at Greenford, Middlesex. These investments are all part of a record which, in 25 years, has seen IBM United Kingdom Limited grow from one office with under 100 employees to a direct employer of 13,000 people at over 40 locations throughout Britain.

IBM helps provide more jobs through its need for goods and services. In 1975, for example, this amounted to a purchase value of £50 million, from some 2,700 UK firms, large and small.

The company has also introduced new technology and associated skills to the UK through its activities at the Hursley laboratories and the manufacturing plants at Greenock and Havant. And its products have offered British industry, commerce and government new and more effective ways of increasing productivity.



IBM's other locations throughout the United Kingdom: manufacturing plants, a development laboratory, a scientific centre, administrative offices, education centres and sales offices. IBM's activities include manufacture and marketing of computers, from a portable model to very large systems; and the marketing of advanced office products such as memory typewriters, dictating equipment and photocopiers.

25 YEARS OF GROWTH IN THE UNITED KINGDOM

- 1951 • IBM United Kingdom Limited formed
- Manufacturing started in temporary premises at Greenock, Scotland
- 1952 • First IBM computer installed in the UK
- 1954 • Greenock manufacturing plant opened
- 1,000th employee joined the company
- 1958 • Development laboratories established at Hursley, Winchester
- 1961 • Turnover exceeded £4 million
- 1964 • Greenock plant extended
- 1965 • Exports exceeded £10 million
- 5,000th employee joined the company

- 1967 • Manufacturing began at Havant, Hampshire
- New head office occupied at Chiswick, London
- Second Greenock plant extension opened
- IBM Information Services Limited established
- Turnover exceeded £90 million
- 1968 • Education Centre opened at Sudbury, Middlesex
- 1969 • Scientific Centre opened at Peterlee, Co. Durham
- Exports exceeded £30 million
- 10,000th employee joined the company
- 1971 • Turnover exceeded £170 million
- 1975 • General Business Group formed in the UK, establishing a major new group to service office equipment and small computer users
- Exports exceeded £170 million
- Turnover exceeded £390 million
- 1976 • New headquarters opened at North Harbour

'We need to re-awaken our slumbering self-confidence as a nation'

'Bad news, it is said, travels fast. In this country at the moment, bad news seems to be the only kind of news that travels at all.

Businessmen and politicians tend to lay the blame for this at the doors of the media. But perhaps the media are guilty only of reflecting what has recently become one of the country's most debilitating characteristics - a destructive habit of self-denigration.

Of course our conditions are difficult at the moment. Certainly the immediate economic prospects are far from promising. Unquestionably we need to increase industrial investment and responsiveness to the needs of the marketplace, and to reduce unemployment. We also need to spend more, rather than less, on the education and training of our youth, to help them make the world a better place to inhabit in the future. And we need to make the present more secure for our disabled and aged.

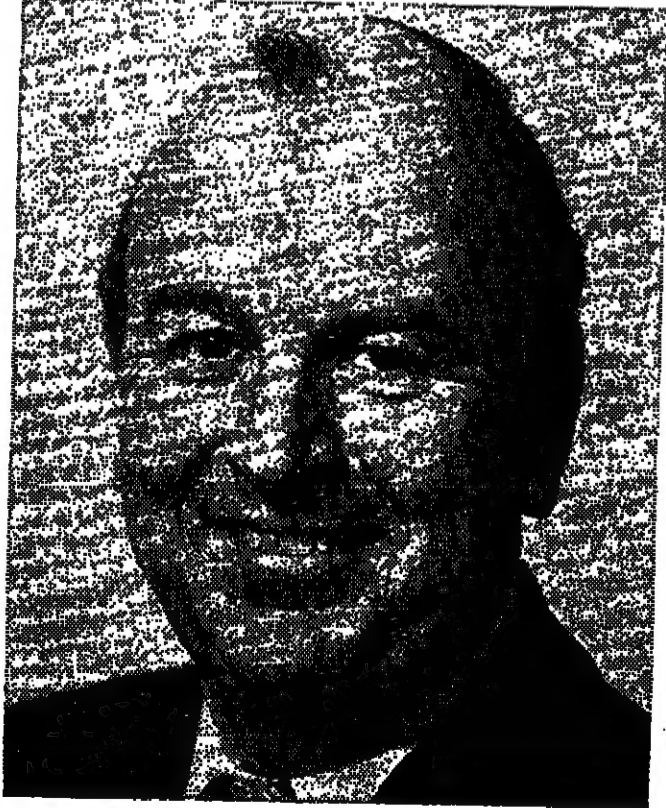
But we shall not achieve these objectives until we restore overseas confidence in us as a nation, and we shall not do that until we regain confidence in ourselves.

We need to re-awaken our slumbering self-confidence as a nation of industrial and mer-

cantile innovators, and stifle our aptitude for placing the responsibility for our shortcomings at everyone's door but our own. We must revive a belief in our own ability and so restore our faith. We need to marshal our strengths and resources for success.

Both Government and industry will have to play their part in this. But I believe that the overall national interest will ultimately prevail. Perhaps then, good news will begin to travel faster.'

E. R. NIXON, CBE, Managing Director IBM United Kingdom Limited



IBM
IBM United Kingdom Limited

HOME NEWS

An eventful year for Bernard Leach

From Kenneth Gosling
St Ives

The founder of one of the world's most famous craft potteries, Bernard Leach, is to celebrate his ninetieth birthday today with a party for 400 people at St Ives, Cornwall.

There has rarely been such a year as this for Mr Leach, with his memoirs coming out in the autumn and an exhibition of his work at the Victoria and Albert Museum from March until May.

Since the beginning of last summer he has seen two or three visitors a week attracted to his home by curiosity or by his reputation. He talks about pots and books, sitting in an easy chair in his flat near the beach, a cassette recorder by his side, Japanese dolls along the windowledge, paperbacks of his first published work, *A Potter's Book*, on a shelf nearby.

Mr Leach, who is now almost blind, enjoys the sea. "The tide comes right up to our wall," he said. "It goes out 200 yards and has a rise and fall of upwards of 20ft."

The evening he keeps for his friends, and he has many of them, writers, artists and musicians. He has books recorded on cassette tapes, which he listens to during sleepless nights.

Bernard Leach tells of his youth as a "lonely kid". His mother died giving birth to him and his father remarried when he was four. He remembers doffing his cap to Queen Victoria as she rode in her carriage round the Home Park at Windsor.

He went to the Slade at 16, studying under Henry Tonks. It was not a career his father would have chosen. "He had one of Queen Victoria's colonial



Mr Bernard Leach relaxing at his home at St Ives.

judges and he looked askance at that," Mr Leach said, adding, "but he was not an unkind man."

"Tonks had been a first-class surgeon and he became a second-rate painter. But as he widened a gap, he came back to me, and I began to think for myself about the questions it raised. It became a long process: 10 years or so learning of the comparative approach to truth and beauty in different parts of the world. It began when I went out east at the age of 22."

In Japan he was introduced to Kenzan, last of a line of famous potters. He taught him how to use a wheel, and after a year or so told him it was time, since he was very keen, to have a workshop in the garden of the house he had built for £200. Kenzan made him a kiln and got him a wheel.

"And there I was, making a pot with the sort of enthusiasm such as this world seldom sees. My first child was born and I was torn between my first child and my first kiln."

His first pots were exhibited and he sold them for 2s 6d and 3s; the prices went up with each exhibition and he came back to England with £1,000. He accepted an invitation from a woman in St Ives who wanted a potter

in her craft guild and, with the help of Shoji Hamada, founded the Leach Pottery there. That was in 1920 and it is still there, with his son David in charge.

Mr Leach, for some part of his life an agnostic, was converted to the Bahá'í faith, which he feels is what the world needs.

"A United Nations without any arms except the police of the world to keep government, that is what I want to see," he said.

He contemplates death with tranquillity. He chose the ground for his father's burial and the stone is still there. "I shall be doing that for my own presently, a sensible thing to do."

Former husband who broke court promise is freed

Mr Alan Gibson, aged 28, who was jailed last Friday for breaking a court promise to stay away from his former wife, was freed by the London District Court yesterday.

Counsel for Mrs Eileen Gibson, aged 37, told Judge White: "She wishes me to ask you to take a charitable view of the situation."

Mr Gibson, a train driver, had broken his undertaking not to go to the former matrimonial home in West Hendon except for access to his daughter, aged five, it was stated. Mrs Gibson had cut her wrists after his return.

Mr Gibson will now live with his father at Hatfield, Hertfordshire.

Town's busmen strike

Thousands of people walked to work at West Bromwich, West Midlands, yesterday after more than 280 busmen had gone on strike in protest over the agreed lack of heating in vehicles.

Woman escapes

Judith Davies, aged 20, sentenced to three years' imprisonment at Swansea Crown Court in July, 1975, for theft, burglary and assault, has escaped from prison.

She was first missed on Monday.

Dry dock flooded

The Fire Brigade was called to Portsmouth dockyard yesterday to pump out water from a dry dock in which the frigate *Lowestoft* is being refitted.

Station for sale

A red-brick railway station built by the Great Western Railway is for sale from British Rail for £20,000.

Communism theft

A woman's handbag, valued at £25, was stolen from a church pew while its owner was taking Holy Communion in Holy Rood Church, Swindon, Wiltshire.

Press accused of damaging race relations

Newspapers are accused today of contributing to an "unprecedented deterioration in race relations" in Britain last year. The accusation is made in a Rummymede Trust booklet, *Public and Be Damned?* written by Mr Peter Evans, Home Affairs Correspondent of *The Times*.

It says that newspapers have sometimes played up a racial matter on a news page while playing it down in the opinion column.

Man married so that he could stay in Britain

A Pakistani married a shop assistant whom he had met only once, although she was five years pregnant, in order to speak his language, an Immigration Appeals Tribunal was told in London yesterday.

The Home Office alleged that the marriage had been one of convenience, to enable Mohamud Arshad Butt, aged 29, to stay in Britain. The tribunal agreed and rejected Mr Butt's appeal against a deportation order.

The tribunal was told that Mr Butt came to Britain last May with a visitor's permit

Academic link with politicians mooted to examine country's economic state

By Peter Hennessy

A policy institute modelled on the Brookings Institution in Washington may be established in London by the end of this year. Its purpose would be to bring together policy-makers and academics to examine the economic and social difficulties facing Britain.

The moving spirit behind the "British Brookings", as it has been known, is Professor Ralf Dahrendorf, Director of the London School of Economics and a former EEC commissioner. He has made clear that he does not wish to run the proposed institute himself and has reaffirmed his commitment to the LSE, to which he was appointed for 10 years in 1974.

The cost of the London institute, which would be housed within easy reach of Westminster and Whitehall, is estimated at £1m a year. Professor Dahrendorf, a trustee of the Ford Foundation, is confident that the money can be raised from British, European and American sources provided that suitable men and women can be found to staff the institute. It would have a permanent head, a board of 10, and up to 80 fellows and visiting fellows. Among the areas of public policy it might examine are the use of North Sea oil revenue for research and development in the British economy; and political and social issues such as devolution, industrial democracy and the possible contents of a Bill of Rights.

Such a "British Brookings" would form an independent source of advice for British governments, of whatever political complexion. One of its first initiatives would probably be to prepare a contemporary version of the Beveridge report of 1942, which provided the basis of the post-war welfare state. It would examine social security, unemployment and health provision and related taxation policies.

In a discussion document circulated within Whitehall and the academic community last year Professor Dahrendorf wrote: "What is needed is a meeting place which is also a place of scholarship, and one which attracts the best brains in the country as well as those in positions of major responsibility."

Its primary purpose would be to bridge the gap between those engaged in research and analysis and politicians and civil servants responsible for formulating public policy. Professor Dahrendorf believes that the need for a "British Brookings" is made more acute by the political instability and economic decline from which Britain has suffered in recent years.

The Social Science Research Council, which might be involved in the venture, has set up a subcommittee of its research initiative board to examine a variety of proposals for an institute of policy studies. Its members are Mr Derek Robinson, chairman of the council, Mr Gary Runciman, a Cambridge social scientist, and Mr Humphrey Cole, director general of economics and statistics at the Department of the Environment.

The possibilities the subcommittee is considering include the devolution option of three institutes in London, Scotland and Wales; assisting and enlarging certain existing interdisciplinary teams in universities; and an institute attached to London University to combine teaching and research. It also considers a London "Brookings" separate from the university (the Dahrendorf option).

Professor Dahrendorf, Policy Institute plan.

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Levy proposed on holiday homes in ghost villages

From John Chartres

Higher rates and a sales tax on holiday homes are among suggestions put forward at Lancaster after a survey of "ghost villages" in the Lake District.

A team from Lancaster University, after a survey commissioned by the Lake District Special Planning Board, has reported that of every 10 houses in the Lake District National Park one is a holiday home. In some valleys, such as Eskdale and Patterdale, the proportion is one in three, and some hamlets housed one only permanently resident family.

The report confirms that local people in a low-wage area are being almost entirely priced out of the housing market, the gap between their mortgage capacity and going prices for small houses in satisfactory condition standing at about £4,000.

Terraced houses in poor condition are fetching about £6,000; £10,000 is the usual price for one in good condition. The report identifies "Akenfield" situations in many villages.

"As 'offcomers' become resident they set up their own activities, which for reasons of background and education are

quite different from the public sector in traditionally occupied villages.

"It is typically found that in those villages in the national park where more offcomers live, particularly in parishes in south Lakeland, new village activities are started—ramblers, naturalists, and sailing, for example—which previously have been formally organized village activities, and which local people do not attend."

The newcomers also tend to take over positions on the parish council and the parochial church council. Often this leads

Demand for cuts in EEC farm prices

From Hugh Clayton
Agricultural Correspondent
Oxford

Farm prices in the EEC should be held down to cut food surpluses, a senior British official charged of domestic agricultural policy said at the Oxford Farming Conference yesterday.

Mr Brian Hayes, Deputy Secretary (Agriculture) at the Ministry of Agriculture, Fisheries and Food, called for "consistent downward pressure on real prices", and said that unless prices were reduced, production would not go down. Community prices, especially for beef and milk, had been set unnecessarily high. "It is to everyone's advantage to avoid that mistake in the future."

Mr Hayes said devaluation of the "green pound", the device with which EEC farm prices are expressed in sterling, would raise food prices and cut consumption, and might prove inflationary through its potentially adverse impact on counter-inflation policies.

His speech gave powerful endorsement to the Government's policy of opposing EEC price rises that stimulate farm surpluses of the type that have been sold to the Soviet Union at prices below those in the Community.

Mr Hayes said that farm price levels in the rest of the EEC were so much higher than those in Britain that there was scope for reducing them without curbing the ability to enlarge food output here. He thought the case for such enlargement incontestable.

Mr Brian Gardner, a journalist based in London, said reduction of the difference between the green pound and sterling by only half would add 10p to the price of a half pound of butter, 6p to a pound of beef, and 13p to a pint of milk. Rising prices threatened the size of the consumer market for food.

Relations between vegetable growers and processors were discussed by Mr A. E. Coburn, managing director of Findus, the frozen food company. Some time ago the two sides agreed on contract prices, he said.

"What I do not think we should be expected to take into account, or even sympathize with, is the farming community's blinkered desire to make the occasional quick buck," he said.

Some growers had started processing to take advantage of the increasing number of home freezers, Mr Coburn said. "What was forgotten was that the frozen food market has expanded so rapidly because of the consistency and quality of its products."

Dr Dale Hathaway, Director of the International Food Policy Research Institute, in Washington, said the framework for future action in developed countries would be determined by ways in which growing food deficits were met in the less developed.

The pattern of increasing demand in the future was clear, but stimuli towards increased output, which had been present in the 1960s, would not be repeated. Developed countries, including those such as Britain, which imported much food, would have to help in stockpiling grain to meet shortages in poor countries.

Developers in such countries would have to accept greater access to their protected markets for tropical products, such as sugar and vegetable oils, which competed with home output.

WEST EUROPE

Falangists join call for political amnesty to help Spain 'advance on road to democracy'

From Harry Debellus
Madrid, Jan 4

The fascist-rooted Falange surprisingly joined the clamour for a broader amnesty today. The self-styled "authentic sector" of the party sent a letter to Señor Adolfo Suárez, the Prime Minister, listing five conditions for advancement "along the road to democracy".

The Falangists wanted the voting age lowered to 18; representation in Parliament for cultural and neighbourhood associations; abolition of the National Movement, the political organization in which they were incorporated by General Franco; elimination of the requirement for political parties to seek official approval and register; and amnesty for political prisoners.

The appeal for amnesty coincided with other similar appeals from many political organizations, and with a continuing series of demonstrations, particularly in the Basque country.

However, the Falangist appeal had little else in common with the demands of the demonstrators. The idea of parliamentary representation on geographical basis is a clear throwback to General Franco's so-called "organic democracy", and the interest of the Falange in amnesty seems to have developed only since Señor Suárez's Government at last began to arrest right-wing thugs as well as leftists.

As for the abolition of the National Movement, hard-core Falangists have always favoured this, if only because the movement absorbed them and diminished their influence.

Meanwhile right-wing extremists reacted to the rash of pro-amnesty demonstrations in the north with new death threats to the editors of the Basque weekly magazine *Herriak*. Anonymous telephone calls, telling them that they would be blown up, came only days after *Herriak* carried out a charge of "illegal association" against the magazine's San Sebastián offices.

The weekly, which began publishing only last September, has angered right-wingers repeatedly because of its pro-Basque editorial line. After a recent issue included a huge fold-out Basque flag, someone daubed the walls of its offices with slogans such as "nationalist pigs".

Two members of the staff recently received written threats from "the Adolf Hitler commando group".

Also in the Basque country the mayors of 21 towns in the province of Guipúzcoa signed a letter of protest against the arrest of Señiora Mirenxe Purroy, publisher of another Basque magazine, *Puntak y Hotsak*. Señiora Purroy was imprisoned on December 27 and charged with insulting the armed forces by publishing a reader's letter which included criticism of alleged recent brutality.

In Madrid a building housing the offices of the Siemens Electrical Company and the Dow Chemical Company was evacuated yesterday after bomb threats from anonymous callers. There had been similar bomb scares in the past at the building.

In Madrid a select committee of nine representatives of the

opposition, designated by their parties to negotiate with the Government about the coming elections, today found a new face at their discussions. The Spanish Communist Party, represented by Señor Santiago Carrillo, no longer in hiding after his brief spell in the Carabanchel prison and his subsequent release pending trial on a charge of "illegal association", took part in the early meetings of the committee. A chair had always been left vacant for Señor Carrillo.

Madrid, Jan 4.—Señor Carrillo told reporters before the meeting started that the Communists would not be an obstacle to talks with the Government on elections this spring.

Señor Suárez has repeatedly said he would not negotiate directly with the Communists but was willing to talk about electoral procedures with the opposition group of which the Communists were part.

The meeting today was expected to arrange a compromise whereby the Communists would allow themselves to be represented by other opposition leaders.

The Supreme Court today announced the official and final results of a referendum which in December 15 overwhelmingly endorsed a Government-proposed plan for parliamentary elections this year.

Eligible voters numbered 22,844,250. Those who cast ballots were 17,599,562. Votes in favour of the elections totalled 16,573,180. Votes against were 450,102, and blank votes 523,457. A further 52,823 votes were invalidated.—Reuters and AP.

Tough talks ahead on EEC posts

From Our Own Correspondent
Brussels, Jan 4

Mr Roy Jenkins, president-designate of the European Commission, slipped quietly into Brussels today in preparation for his formal assumption of office on Thursday. Mr Christopher Tugendhat, who is to be the second British Commissioner, also arrived in the Belgian capital.

Mr Jenkins takes over from the incumbent, Mr François-Xavier Ortoli, of France, on Thursday morning. After a short meeting with members of the Commission staff, he will make a statement to the press and then go into conference with other members of the new Commission to sort out the portfolios.

Their allocation is expected to be announced by Mr Jenkins this evening. The bargaining over the portfolios is likely to be lively. Mr Jenkins's preferences, though influential, will not necessarily prevail since, ultimately, each job is decided by majority vote of the 13-man Commission.

Six members of the new Commission, including Mr Ortoli, are members of the present one, which formally completes its four-year term of office tomorrow.

PLO blames Zionists for Paris murder

From Paul Martin
Paris, Jan 4

An Arab shot dead outside his bookshop in Paris last night was the victim of a "Zionist plot", the Palestine Liberation Organization said today.

In a statement issued as police were trying to track down the gunman, the PLO office in Paris declared that Mr Mahmoud Saleh, a senior member of the organization, was the victim of a "Zionist assassination campaign".

Mr Saleh, a 38-year-old

Mauritanian, took over the PLO office in Paris after Mr Mahmoud Hamchari, a high-ranking member of the Palestinian intelligence network, was assassinated in December, 1972. He held the post for some months before resigning because of his affiliations with the *Rejection Front* within the Palestinian movement.

The police are working on the theory that he was killed by a Zionist activist movement. However, it has not been discounted that he may have been the victim of a factional feud among the Palestinians.

Anger over jail security as Italian prisoners vanish

Treviso, Jan 4

Thirteen Italian prisoners appeared to have made a clean getaway today after breaking out of jail here on Sunday night. Police said they had lost all trace of the men.

As the hunt went on, the escape threatened to develop into a political controversy. Politicians and newspapers commented angrily about security at Italian jails which they said was so bad that escaping had become a child's game.

The escaped prisoners included an alleged left-wing urban guerrilla, Signor Prospero Gallinari, and a convicted murderer, Signor Domenico Napoli, who was recently transferred to Treviso from Florence, where he was said to have led a jail revolt.

The Treviso prison governor, Signor Giancarlo Severini, said he had offered to resign, but a Justice Ministry official said the resignation would not be accepted.—Reuters.

Minister resigns after son is charged with bank raids

From Our Own Correspondent
Lisbon, Jan 4

Dr Walter Rosa, Portuguese Minister of Industry and Technology since last July, has resigned for family reasons, according to a Government statement last night. Dr Antonio Gomes, the Minister of Economic Co-ordination, has taken over the portfolio temporarily.

Press reports today linked Dr Rosa's resignation with the arrest of his 27-year-old son, who is accused of two minor bank raids in the Lisbon area.

The Government statement gave no further explanation, but Dr Mario Soares, the Prime Minister, who accepted with regret Dr Rosa's departure, praised the 55-year-old Socialist

minister's "high sense of dignity" in choosing to resign.

Dr Gomes is one of two Cabinet members to hold two portfolios, the other being Dr Antonio Barreto, Minister of Commerce and Tourism, who took over agriculture last November after the resignation of Señor Lopes Cardozo.

The blow of Dr Rosa's departure comes at a time when the Government economic team has been under criticism for failing to give the country a stronger lead in the regular crisis.

Dr Soares has denied planning Cabinet changes and the economic post has always been the most difficult ones for the Socialists to fill. But a reshuffle now looks increasingly unavoidable.

European unity prize for Mrs Williams

Hamburg, Jan 4.—Mrs Shirley Williams, Secretary of State for Education and Science, is to receive the first award presented by a West German foundation for promoting European unity.

The award has been created by the FVS Foundation of Hamburg as a memorial to Dr Joseph Bech, Luxembourg statesman and protagonist of European unity, and is designed to "a distinction for signal services and personal engagements in the cause of Europe".

The Joseph Bech prize carries an award of DM 20,000 (£5,000) which Mrs Williams shares with a Swiss scholar and university teacher, Professor Henri Riebel of Lausanne.

Paris car parks sue city for £3m

Paris, Jan 4.—The owners of 12 Paris underground car parks are suing the city for 25m francs (£3m), alleging that police are not giving out enough parking tickets to stop people leaving cars in the streets.

Police leniency is a menace to their livelihood, the garage owners claim. They are seeking a ban on street parking.

Five ways to save Venice

Rome, Jan 4.—Five Italian consorts have submitted schemes for controlling the flow of water through the three canals of the Venice lagoon to try to reduce the regular flooding which is damaging the city, the Public Works Ministry announced today.

It gave no details of the schemes, and said they would be judged by a committee to be appointed by the Public Works

Minister. One consortium includes the Picelli Rubber Company, which proposed some years ago the use of inflatable rubber dams to block the lagoon entrances when exceptionally high tides threatened to flood the city.

Controlling the lagoon entrances is seen by experts as one of the keys to saving Venice from progressive deterioration.—Reuters.

Landslip threat to Sicilian towns

From Our Correspondent
Rome, Jan 4

In four Sicilian towns families huddle in the pouring rain while vast slabs of mountainside slide slowly and inexorably downwards, threatening to crush their homes like matchwood.

Round them the earth has split open into large crevasses, some 30ft deep. Masses of rock and mud are swept towards the valleys as the water gouges new channels for itself in the barren hillides.

Some 170 people have been evacuated from their homes threatened by three huge landslides, which are undermining the foundations of the hill town of Calanissetta.

The inhabitants of San Fratello, on the north coast, are watching anxiously as a landslide 500 yards wide moves down

towards the town. Fifty-five years ago a similar landslide destroyed three-quarters of San Fratello and the townspeople are still waiting for the conservation work which had been promised at the time.

There are more landslides at the ceramics town of Caltagirone, while in many areas water, a precious commodity in Sicily, is desperately short because landslides have broken or damaged the pipelines.

Sicily is suffering from a serious attack of its centuries-old disease, a slow geological disintegration caused partly by its natural formation and to a larger extent, by the thoughtlessness of man. What was once the granary of the Roman Empire is now only productive in certain areas.

"The land is sick" is the opinion of Professor Marcello Carapezza of Palermo University.

"The delicate ecological balance has been seriously upset."

The main cause of the tumbled building speculation, wholesale deforestation and a lack of an adequate policy for land conservation is the lack of an up-to-date geological map. "The one we have is more than a hundred years old and is only of use to science historians."

Such a map would hardly be a luxury in an island where about 40 per cent of the territory is listed as subject to landslides, 30 per cent as unstable and only 30 per cent as stable. A period of heavy rain, such as has fallen in Sicily over Christmas and the new year, inevitably brings tragedy. In the past four years 26 people have died and millions of pounds worth of damage has been done by landslides and flooding.

Europe's Car of the Year Award goes to Tomorrow's Car.



Today.

The new Rover 3500 has been voted "Car of the Year" for 1977.

When Spencer King, the man responsible for design and development of Leyland Cars' products, heard the news, he said something that we think you ought to hear:

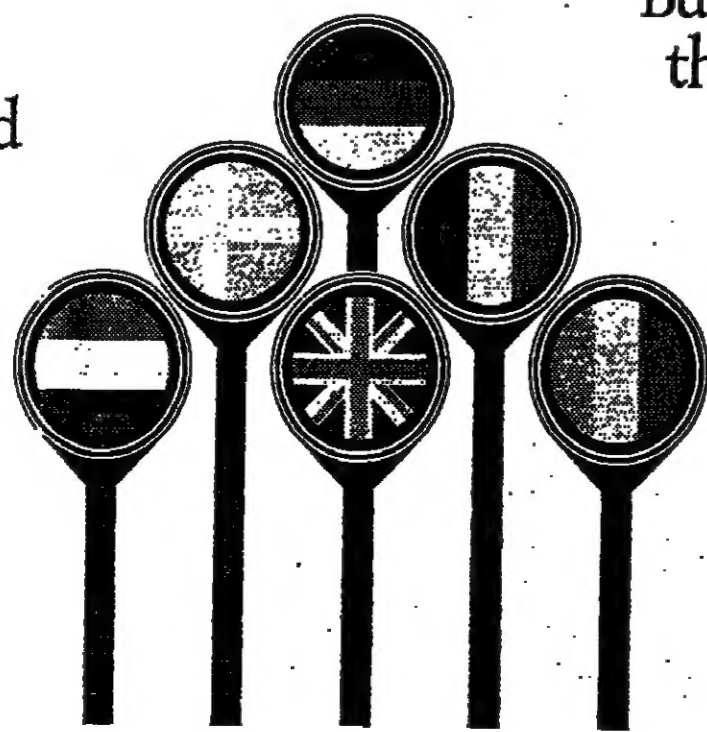
"I'm absolutely delighted that the Rover has been given this accolade, all the more so because it is given by 49 judges from 6 European countries.

"It would have been easy for the Rover to win if it only had to compete with British cars: the

fact that a European jury gave us the verdict against new cars from leading American and Continental manufacturers is massively encouraging to anyone who cares about the British car industry.

"But the most important thing about this award is that it reflects the new attitudes and objectives at Leyland. From drawing board to production line, we're seeking to build all our cars to the same exacting standards of design and quality of manufacture.

"This award is a very pleasing beginning for our new company."



CAR OF THE YEAR
1977



Rover 3500

Europe's Car of the Year from Leyland Cars.

OVERSEAS

Mr Rabin takes up task of steering Israel out of crisis

From Eric Marsden, Jerusalem, Jan 4

Mr Yitzhak Rabin, the Prime Minister of Israel, was today asked by President Katsir to form a new Government. His mission has been overshadowed by the suicide last night of Mr Abraham Ofer, the Housing Minister, and will be delayed until after Mr Ofer's state funeral in Tel Aviv tomorrow.

Mr Rabin is fulfilling constitutional requirements by agreeing to try to form an alternative government but he is unlikely to complete the task. His efforts are being overtaken by the passing of a Bill dissolving the Knesset and setting May 17 as the date for a general election.

When this is settled Mr Rabin and his remaining ministers will become a caretaker government until the election. Some will have to double up to fill the vacated portfolios of Mr Ofer, the three National Religious Party ministers who were expelled, and the two Independent Liberal ministers who resigned.

The death of the Housing Minister, which has shocked Israel society, has also temporarily cooled election fever. General Ezer Weizman, the campaign manager for the right-wing Likud Party, said that Mr Ofer was "the victim of a system" of which "very unfortunately" he was a part. But Likud would make use of the tragedy in its election campaign.

Mr Arie Ellav, a former secretary-general of the Labour Party and an old friend of Mr Ofer, said that when he spoke to Mr Ofer a few days ago he seemed "a broken man, deserted by his so-called friends in the Government". Mr Ofer had told him: "I am sinking in the mud of libel and insult. My friends are not helping me. Members of Mr Ofer's family accused the press of causing his death by repeated demands for investigation of his activities when he was director of Shikun Ovdim, the housing corporation of Histadrut, the labour organization. But reports today claim that it was the realization that he could not expect the support of Mr Rabin and his colleagues that drove Mr Ofer to desperation."

The final straw was apparently the disclosure that police inquiries had reached a point where Mr Ofer was likely to be called in for questioning. New evidence on land deals by Shikun Ovdim had been given by a lawyer, Mr Haim Goshen. No final decision had been taken, but Mr Ofer is reported to have been depressed on discovering that Mr Rabin was not prepared to issue a declaration in his favour, but preferred to allow the process of law to take its course.

Mr Ofer, who until recently had been a key figure in Labour Party politics, was also upset at having been left out of the team organizing Labour's election campaign.

The new testimony by Mr Goshen is understood to relate to further land deals between Shikun Ovdim and Arab smallholders, not only in the eastern suburbs of Jerusalem, but also at Nebi Samwil in the West Bank.

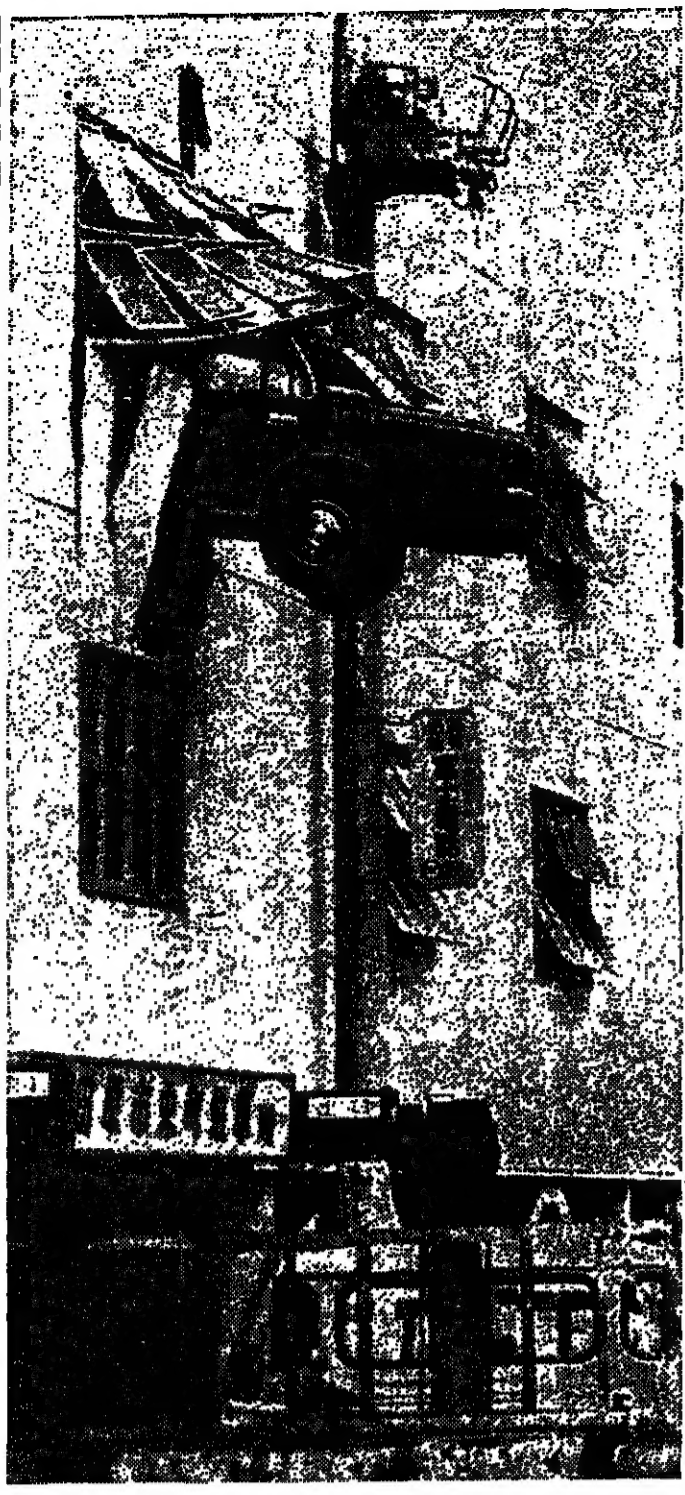
Leading newspapers temper expressions of sorrow with warnings that Mr Ofer's suicide should not be used to prevent thorough investigation of accusations of wrongdoing. However, *Davar*, the organ of Histadrut, urged the police and the press to show restraint.

Mr Rabin will eulogize Mr Ofer at the Tel Aviv municipality, where his body is to lie in state, and at the graveside in a Tel Aviv cemetery.

Permission for the minister to be buried in a cemetery was given today after a meeting of the Tel Aviv rabbinate and the city's burial society. Amid some disorder in the religious community, the rabbis had been charged with the task of finding a way round the tradition that suicides may not be buried in consecrated ground.

Last night the Prime Minister asked Chief Rabbi Shlomo Goren to find a way to hold a state funeral inside the cemetery. Colonel Gad Navon, the Army's chief chaplain, today ruled that Mr Ofer was not guilty of pulling the trigger until the moment of death there was enough time for regret and repentance. . . . And so it does not have to be considered a suicide and he can be buried properly."

This view has been accepted by Chief Rabbi Goren and the Sephardic Chief Rabbi Ovadia Yosef. Other rabbis agreed that mercy should be shown in the case of Mr Ofer because of the terrible anguish he must have suffered in the last moments before the act of suicide.



A slip of the driver's foot caused this car to burst through the wall of a multistorey car park and hang precariously over a street in Tokyo.

Christian Beirut stops work in mourning

Beirut, Jan 4.—Christian east Beirut was paralysed by a strike today in protest against the deaths of 35 people in a huge car bomb explosion, the worst single act of violence since most fighting in the civil war ended on November 15.

The bomb went off in a busy street outside the headquarters of the right-wing Phalangist Party's security service last night. It shattered five buildings in the vicinity and reduced 17 cars to charred, twisted piles of blood-stained metal.

A woman Phalangist pointed today to what remained of a yellow cab and said: "My couple and their three sons died in this." A human finger was wedged into a crack in the floorboard.

Except for a few green grocers, butchers and chemists, all shops in eastern Beirut were closed. So were the schools. With tension running high, streets were almost deserted and some of the main roads leading from the eastern half of the city to Muslim west Beirut were blocked by burning tyres.

The explosion left a hole 8ft deep and about 16ft in diameter and shattered window panes far as 500 yards away. Some one died and five others were killed by a car bomb placed near the home of Mr Kamel Jumblatt, the left-wing leader, in western Beirut.

The Phalangist radio reported that a man carrying explosives was detained after a million while attempting to cross into eastern Beirut today and had been handed over to troops of the predominantly Syrian Arab peacekeeping force which is supervising the civil war truce.

The radio also said papers from the leftist-dominated suburb of Shiyah had opened fire on a Christian district. There was no immediate confirmation of this, but informed sources said that people had been killed and four wounded in a shooting incident near a Phalangist office in the northern suburb of Jdeideh.—Reuters.

Spassky takes Fischer's place in world chess

Amsterdam, Jan 4.—Bobby Fischer, the American former world chess champion, has forfeited his right to play in the candidates' tournament which decides the challenger to Anatoly Karpov of the Soviet Union, the present champion.

Miss Ineke Bakker, secretary of the International Chess Federation (Fide) said today that Fischer had failed to arrive by January 3 of his intention to compete and had been replaced by Boris Spassky of the Soviet Union.

Spassky, from whom Fischer won the title in 1972, is now living in France with his French-born wife. He will play Vlastimil Hort of Czechoslovakia.

Hang glider crash injures five people

Sydney, Jan 4.—A hang glider crashed into a crowd of holidaymakers at the resort of Nambucca heads, 280 miles north of Sydney, today, injuring five people.—Reuters.

Cairo train sweeps nine to their death

Cairo, Jan 4.—Nine people were killed and five others injured today when an oncoming train swept them off the steps of the train on which they were riding.

Peking press admits strife in Fukien

Peking, Jan 4.—The Chinese press today admitted details of recent unrest in the strategic southern province of Fukien, but said rival groups were settling their differences.

The *People's Daily* reported "beating, smashing and looting" in Fukien, and admitted that factionalism last year brought some factories to a standstill.

About 12,000 troops have been mobilized in Fukien, which is opposite Taiwan, to help to end disturbances blamed on followers of Chiang Kai-shek, Mao Tse-tung's widow, and three other radical leaders.

Local radio stations have reported violence in 11 of China's 29 provinces, including "all-round civil war" in south-western Sichuan province.

According to a Chinese official here, the provincial troubles occurred mainly before Chiang Kai-shek's arrest last October but had not been completely quelled.

The *People's Daily* blamed the Fukien unrest on a few people who were instigated by the gang of four to establish illicit contact with the United States, and "strife with forces".

Fukien has a legacy of political feuding and after the dawn of the radicals the Army was mobilized to counter sabotage and factionalism in the province.

Briton kept body of wife he killed in trunk

Singapore, Jan 4.—A coroner today resumed a case of murder against a British businessman after hearing that he kept his Eurasian wife and kept her dismembered body in a trunk in his flat for two years before he himself died of a heart attack.

A police officer said Mr Michael Culley killed his wife, Linda, soon after arriving here in 1974. Mr Culley told his son, Charles, of the murder.

Charles, aged 16, who now lives in England, told police about the killing after his father's death.

The son said in the statement that he had kept quiet about the murder because "I loved my father".—Reuters.

Mr Bukovsky will carry on fight for Soviet dissidents

By Diana Geddes

Mr Vladimir Bukovsky, the Russian dissident released from prison in the Soviet Union last month in exchange for a Chilean Communist leader, flew into London from Switzerland yesterday, saying he was delighted to be making his first visit to a country "which has been a welcome sanctuary for so many Russian refugees" during the last few years.

Mr Bukovsky was met at Heathrow airport by Russian friends, representatives of Amnesty International, and members of other groups working for the release of Soviet dissidents including Mr David Markham, the actor, who for five years campaigned indefatigably for Mr Bukovsky's release.

Mr Bukovsky is expected to spend most of his fortnight's stay in Britain at Mr Markham's home at Coleman's Hatch, Surrey, where he will be doing there.

Mr Markham replied firmly: "He'll be having a nice quiet time, he is said to be still feeling rather weak from his two and half years in prison and is understood to be suffering from a heart condition, a liver ailment and ulcers. Although he looked pale and thin at yesterday's press conference, he appeared alert and fielded reporters' questions with wit, tact and aplomb."

He said that while in Britain he planned to discuss with civil rights groups the problems of dissidents still in Russia. He hoped also to meet British psychiatrists. But, he expected with a smile, that he expected

Practicalities of transition to black rule elude despondent whites Rhodesia still unprepared for power sharing

From Michael Knipe, Salisbury, Jan 4

In theory, Rhodesia might be Zimbabwe with a majority rule constitution later this year, or, at the latest, by the following spring.

Yet it remains an inconceivable prospect for most white Rhodesians. Except for the demands of the guerrilla conflict, which are considerable, the Rhodesian way of life seems immutable. Black power is still beyond most people's comprehension.

The horror of the guerrilla war, resentment of "the terrorists" and an obvious fear of communism dominate the thinking of whites here to the exclusion of everything else, particularly the practicalities of transition.

Some whites think in terms of power sharing but few appreciate that the prospect is already past.

When Mr Smith, the Prime Minister, announced on September 24 that he and his government had agreed to the implementation of majority rule within two years, his decision was welcomed by his opponents and accepted as inevitable by his supporters. Today it is seen as improbable rather than inevitable.

The first flush of optimism at the economic potential to be unleashed by the country's return to legality has given way to pessimism at what seems increasingly to be impending tragedy.

Hopes and confidence are being whittled away by several factors, chiefly the longstanding bloody guerrilla conflict and the tone and tenor of the Geneva conference.

The African nationalist stance at Geneva is regarded by white Rhodesians as totally unacceptable. They find it difficult to regard as their future leaders men who are the leaders of the African nationalist guerrillas.

It is also quite beyond whites to believe that serious consideration is being given to the prospect of people whom they regard as terrorists being integrated with, or superseding, Government security forces.

To make things worse, the power struggle between the black leaders has created the spectre of political violence and possibly post-independence civil war. This is feared as much by blacks as whites.

In the three months since Mr Smith conceded the imminence of change there has been no serious attempt to prepare a plan for the population for the transition that is to come.

The Government is still only half-heartedly unravelling the bureaucratic red tape of discriminatory legislation. It has made no move to implement major reforms proposed by a multi-racial, Government-appointed commission before September 24 which are all the more vital now.

There has been no national debate on how the transition is to be effected. Radio and television continue to propagate the ruling Rhodesian Front's most right-wing line, emphasizing the dangers and prospects of Marxism.

Newspaper letter-columns are dominated by bitter trades rather than constructive discussion and the white population remains as isolated as ever from contact and communication with the black politicians who are scheduled to take over the reins of power.

From being induced to expound their policies, the African leaders have been denied access to radio or television and prevented from holding public meetings. They have made contact with their black supporters by the ploy of staging open air "press conferences" before thousands of blacks.

There has been no attempt

by the media to present or investigate the African nationalist viewpoint, either by means of extensive interviews or current affairs debates, or even by the equivalent of a party political broadcast.

As a result few whites, even now, know the names of any black politicians other than the four faction leaders, Bishop Abel Muzorewa, Mr Joshua Nkomo, the Rev Ndabingi Sithole and Mr Robert Mugabe.

The prime bogymen for whites is Mr Mugabe. But white fears of him are largely those born of preconception and of the unknown. It would be true to say that even the most assiduous of African political observers are uncertain of Mr Mugabe's political philosophy. What most white Rhodesians know of it is the result of third or fourth hand news agency summaries or hearsay of what he is supposed to have been quoted as saying on Maputo radio.

The black politicians are not blameless for this ignorance. They are adept at avoiding making any firm statements regarding the substance of the policies they would hope to pursue.

But if there has been an encouraging development in the past few weeks it is that the black factions have turned some of their attention to winning white support. Mr Nkomo's faction has been taking large advertising space in the *Rhodesia Herald*, to state, admittedly in vague terms, its case.

Bishop Muzorewa's faction of the African National Council has stated that it intends to pursue a mixed economy, that it values the skills of white Rhodesians and that it wants whites to join the ANC. Unfortunately both efforts have met with minimal constructive response from the whites.

Mr Ian Smith, the Prime Minister, is understood not to have totally rejected Britain's settlement proposals although he is far from impressed by them. While continuing to insist on the contractual nature of the Anglo-American settlement terms as negotiated by Dr Henry Kissinger, the American Secretary of State, he has apparently agreed reluctantly to give the revised proposals further consideration, pending the return of Mr Ivo Richard, the Geneva conference chairman, to Salisbury in about a week's time.

Clearly his acceptance would be dependent on what assurances Mr Richard can offer him: having seen the black leaders. And that, in turn, will depend a great deal on what attitude Mr Vorster, the South African Prime Minister, can be persuaded to adopt.

Mr Richard's handicap is that he has to win commitments from the African leaders without being able to promise them that Mr Smith is committed to the deal.

British hopes of the Rhodesian Government dropping its insistence on sticking rigidly to the initial Anglo-American proposals, is based on the belief that the desire to bring the war to an end is paramount and if they can be assured that this is feasible then they will be more flexible.

It is felt that the Rhodesian forces are not on top in the guerrilla conflict and, knowing this, any rational leader must be anxious to bring the war to a close.

The weakness of the British line of reasoning, however, is that while all Rhodesians are concerned at the escalation of the war, the view that the Government's forces need a settlement is not widely held. It may depend on a commitment from Mr Vorster to cut supplies to convince the Rhodesian Government that a more flexible approach is necessary.

Mr Richard to meet Sir Seretse today

From Nicholas Ashford, Johannesburg, Jan 4

Mr Iver Richard, chairman of the Rhodesia settlement, arrived in Gaborone, Botswana, today for the next stage of his southern African shuttle, still radiating optimism that a peaceful agreement between the Rhodesian Government and the black nationalists can be reached.

He said on arrival that the talks he had had so far in Zambia, Rhodesia and South Africa had strengthened his belief that a settlement was possible. "There is scope for getting an agreement and this is what I am trying to achieve", he stated.

Mr Richard was having dinner with Mr Archie Mogwe, the Botswana Foreign Minister, this evening, and was due to have talks with President Sir Seretse Khama tomorrow. The meeting is likely to be both friendly and informal. However, Sir Seretse can be expected to draw Mr Richard's attention to the recent expulsions into Botswana of Rhodesian forces and to emphasize the importance for Botswana of a speedy settlement to the Rhodesian problem.

For his part Mr Richard is expected to restate his proposal for a "neutral" British presence in Rhodesia during the transitional period.

Mr Richard's talks in Botswana tomorrow and then in Mozambique and Tanzania later this week will complete the Southern African tour. By that time all the parties directly or indirectly involved will have heard at first hand his latest thinking on the Rhodesian issue and will have had an opportunity to explain their positions.

Mr Humphrey's bitter moment

From Fred Emery, Washington, Jan 4

Senator Hubert Humphrey, the Democratic leader who lost the presidency to Mr Richard Nixon by a whisker in 1968, today avowed one last election day regret.

He withdrew at the last moment from a hopeless election for Senate majority leader. His gesture ensured the election by acclamation of Senator Robert Byrd, of West Virginia, who has been the overwhelming favourite to succeed Mr Mike Mansfield.

On the Republican side, there was a surprise as Senator Howard Baker, of Tennessee, upset by one vote Senator Robert Griffin, the Michigan colleague of President Ford, who had been expected to succeed Mr Hugh Scott as minority leader. Mr Baker, a moderate-conservative Republican, first gained national attention during the televised Senate Watergate committee hearings.

But the Democratic leadership post is the one that counts. By sentiment, service, superior capability and eloquence, the job ought to have been Mr Humphrey's by acclamation. He has been the

liberal champion since 1948, and his fellow liberal Democrats form a majority within the Democratic majority.

But his recent operation for cancer—and Mr Byrd's highly effective management of the tedious side of Senate business for the past five years—resulted in the younger, if less illustrious man gaining preference.

Mr Humphrey's final acquiescence was undoubtedly a bitter moment. Even the labour union which he campaigned all his life failed to rally to his support.

They all knew that Mr Byrd had the votes, and presumably did not want to queer their pitch in future political business.

Some put out the word that they wanted to be kind, that they did not wish the work to kill him. But as Mr James Reston, the columnist, noted in his final salute in *The New York Times*, there is something to that, but not much. "Hubert Humphrey is like a plane that takes off and soars only at high speed. Work is his life, and he is what keeps him going."

The Senate leadership election was the highlight of the convening day of the ninety-fifth Congress. Headline writers here have had a lot of fun suggesting that it meant the "Return of majority rule" or even—as the *Washington Post* had it today—"One-party rule returning."

The new Senate listings are: Mr Robert Byrd (West Virginia), aged 59, majority leader; Mr Alan Cranston (California), aged 62, majority whip; Mr Daniel Inouye (Hawaii), aged 52, secretary, Democratic conference.

Mr Howard Baker (Tennessee), aged 51, minority floor leader; Mr Ted Stevens (Alaska), aged 53, minority whip; Mr Clifford Hansen (Wyoming), aged 64, secretary of the Republican conference.

In electing Mr Byrd the Democrats have chosen a legislative warrior whose past record of devoted housekeeping suggests that they will have smooth, predictable schedules. Since he ousted Senator Edward Kennedy as majority whip—in the wake of Chappaquiddick scandal in 1971—Mr Byrd has not acted in a manner that suggests he would use the post as one of national leadership, in competition with the President.

Blood problems of US diplomats in Moscow

Moscow, Jan 4.—Blood tests on United States Embassy staff in Moscow show abnormalities in one-third of those tested, according to an administrative notice distributed today.

The blood tests were carried out after the Embassy had claimed that microwave radiation was being beamed at the building by the Russians. The tests showed an increase in the "white blood cell count of one out of three employees and retirees."

"There is no connexion with microwaves directed at the embassy", the notice said. But it added: "The cause remains undetermined."

"It can only be said that there may be a factor in the Moscow environment which produces a benign temporary increase in the circulating blood lymphocytes in some people."

The notice was distributed to all embassy staff and other Americans living in Moscow. It said that additional medical tests ordered by the State Department had "failed to find

Prince is keen on dramatics

Toronto, Jan 4.—Prince Andrew said today he hoped to study drama while at school in Canada because he liked to pretend he was someone else.

He told reporters at a reception that he became bored with being himself and enjoyed taking on other roles. He added that the Prince of Wales was better at dramatics than he was.

Prince Andrew arrived in Toronto yesterday on his way to the Lakefield College school, where he will study for six months.

The reception at the Ontario legislature buildings was held after a private meeting with Mrs Pauline McGibbon, the Lieutenant-Governor of Ontario.

The Prince said he was surprised at the number of reporters and photographers who were there at Toronto international airport yesterday. He hoped to be treated simply as a schoolboy at Lakefield.

Prince Andrew asked the reporters how large Canadian newspapers were and why Canadian television stations had so many commercials.—AP.

Correspondent arrested in Singapore

Singapore, Jan 4.—The Singapore correspondent of a Hong Kong weekly was arrested today for "disseminating protected information" without the consent of the authorities.

A government spokesman said that Mr Ho Kuo Ping, correspondent of the *Far Eastern Economic Review*, would appear in court tomorrow. He declined to give any more details.

Mr Ho was arrested at his office where police searched some of the files.

Sudan recalls envoy from Ethiopia

Khartoum, Jan 4.—Relations between Sudan and Ethiopia deteriorated further today with the announcement that President Nimer's Government has recalled its ambassador from Addis Ababa.

President Nimer warned Ethiopia on Saturday that he would raise an army from among the 100,000 Eritrean and other Ethiopian refugees in Sudan to repulse any Ethiopian attack, and renewed accusations that Ethiopia was training anti-government Sudanese guerrillas in camps near the border.

Muhammad Ali divorce

Chicago, Jan 4.—Mrs Khalilah Ali, wife of Muhammad Ali, the world heavyweight boxing champion, has been granted a divorce on the ground of desertion. It was learnt here today.

She has been granted custody of four children and awarded nearly \$2m (about £1,200m) in cash and property. She will also receive an apartment in Chicago, a house in the suburbs and two cars.

Watergate affair film voted best of 1976

New York, Jan 4.—All the President's Men has been chosen as the best film of 1976 by the New York Film Critics Circle.

The film, based on the book of the same name by the Washington Post reporters Bob Woodward and Carl Bernstein, depicts their unravelling of the Watergate conspiracy involving former President Nixon and his aides.

Alan Pakula was named best director for the film and the best supporting actor award went to Jason Robards, who played Mr Benjamin Bradlee, executive editor of the *Post*.

Network was voted second best film and Paddy Chayefsky was named screen writer of the year for his depiction of network television.

Robert Di Niro was voted the year's best actor for his role in *Taxi Driver*.

The best actress award went to Liv Ullmann, for her part in *Face to Face*. Talia Shire was named best supporting actress for her role in *Rocky*.—AP.

Rugby Union

By Peter West
Rugby Correspondent

Three new

caps in as McLac

hlan goes out

Second dark cloud on Best's horizon

Len Ashurst, Sheffield Wednesday's manager, completed the signing of Dennis Leman from Manchester City for £9,000 yesterday. He hopes to sign David Rushbury, of West Bromwich Albion in time to play him against Brighton at Hillsborough on Saturday. The clubs have agreed a fee of £20,000.

Dropped striker stages walk

Ian Scanlon, the Notts County striker, failed to report for training on Monday.

Bob Lord, the chairman, said: "We know what the fans are saying. They are expecting Joe Brown's head to roll because we have hit a sticky patch. But the board of directors are giving him a vote of confidence. We are not

By John Downie

Tennis

Motor race

ing

England have made a second change in their team to meet Wales in the European Rugby

Southampton are far nearer relegation than promotion, although in recent weeks their results have

unlikely possibility of retaining the trophy. He admires Chelsea's football—they beat Southampton.

Melbourne, January 4.—Richard Lewis, of England, beat Tom Gorman, the tenth seed, 6-4, 6-3, 6-1, in the second round of men's singles at the Australian open tennis championships.

Andrew Paton, of Liverpool, yesterday made a successful, laborious, return to competitive tennis following a severe bout of glandular fever which kept him away from the courts for nearly a month.

from tennis for a while as he has started medical studies at Bristol University, will clearly be hard pressed to hand on to his title.

BOVE SINGLES: First round. G. M. Trinder beat J. H. Chambers 6-2.

Erhardt retires

Squash rackets

BATH CLUB TROPHY: Second round - Gresham's beat Hill Hill 3-0; Marlborough beat Runby 3-0; John's Leatherhead beat Malvern 3-0; Harrow beat Blundells 3-0; Lancaster beat Whitgift 3-0; Ardingle beat

Southampton have a lot in common with Chelsea quite apart from having that lazily elegant former idol of Stamford Bridge crowds, Peter Osgood. In the early seventies Chelsea won the FA Cup and

of the term but in youthful experience, mainly, of course. Wilkins. The impression is that Southampton would not weep over early departure from the Cup, but that with a team of strange extremes of performance they

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Erhardt retires

Skiing

Four leading

Britons miss | Latest Eu

snow reports

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BOVE SINGLES: First round. G. M. Trinder beat J. H. Chambers 6-2.

As often before, the 1977 championships will take place here this first week of January, although at the cost of four leading British team members. Kouril Barilecki, Alan Stewart, Valenti

Leish	50	100	Good	Cloud	5
Margins	70	140	Good	Fog	5
Pontresina	50	120	Good	Snow	5
Saaneconser	60	180	Good	Cloud	5

5-6, 6-3; R. Booth beat M. S.
 Becker 6-0 retired; M. V. Taylor
 beat A. J. Schofield 7-6, 6-0; A.
 Simcox beat S. G. Collins 6-0; A.
 C. Strokers beat J. Warren 9-5;
 6-1; T. Mills beat M. A. Coltrane
 6-1, 6-2, 6-0; S. N. Paton beat
 M. F. Bates 7-5, 6-1; J. M. Dier
 beat N. Lawrence 6-1.

Duffie and Fiona Easdale are at Garmisch-Partenkirchen, trying out the new courses which will be used for the world championships next year.

SCOTLAND: Cairngorm: Main runs complete, wet snow on a firm base. Lower slopes, ample nursery areas. Wet snow. Vertical runs: 1,000 ft.

6-1	6-2	6-3	6-4	6-5	6-6	6-7	6-8	6-9	6-10	6-11	6-12	6-13	6-14	6-15	6-16	6-17	6-18	6-19	6-20	6-21	6-22	6-23	6-24	6-25	6-26	6-27	6-28	6-29	6-30	6-31	6-32	6-33	6-34	6-35	6-36	6-37	6-38	6-39	6-40	6-41	6-42	6-43	6-44	6-45	6-46	6-47	6-48	6-49	6-50	6-51	6-52	6-53	6-54	6-55	6-56	6-57	6-58	6-59	6-60	6-61	6-62	6-63	6-64	6-65	6-66	6-67	6-68	6-69	6-70	6-71	6-72	6-73	6-74	6-75	6-76	6-77	6-78	6-79	6-80	6-81	6-82	6-83	6-84	6-85	6-86	6-87	6-88	6-89	6-90	6-91	6-92	6-93	6-94	6-95	6-96	6-97	6-98	6-99	6-100
6-1	6-2	6-3	6-4	6-5	6-6	6-7	6-8	6-9	6-10	6-11	6-12	6-13	6-14	6-15	6-16	6-17	6-18	6-19	6-20	6-21	6-22	6-23	6-24	6-25	6-26	6-27	6-28	6-29	6-30	6-31	6-32	6-33	6-34	6-35	6-36	6-37	6-38	6-39	6-40	6-41	6-42	6-43	6-44	6-45	6-46	6-47	6-48	6-49	6-50	6-51	6-52	6-53	6-54	6-55	6-56	6-57	6-58	6-59	6-60	6-61	6-62	6-63	6-64	6-65	6-66	6-67	6-68	6-69	6-70	6-71	6-72	6-73	6-74	6-75	6-76	6-77	6-78	6-79	6-80	6-81	6-82	6-83	6-84	6-85	6-86	6-87	6-88	6-89	6-90	6-91	6-92	6-93	6-94	6-95	6-96	6-97	6-98	6-99	6-100

There were some problems in deciding who belongs to which nation. Peter Fuchs, for example, has an Austrian father, an English

Access roads clear. Snow level:
1,000ft. Glensheen: Main runs complete.
Lower slopes, apple nursery areas.
Wet snow. Vertical runs: 1,000ft.
Access roads clear. Snow level: 1,000ft.
Glensheen: Main runs and lower slopes
complete. Wet snow on firm base.
Vertical runs: 1,000ft. Access roads
clear. Snow level: 1,000ft.



La creme de la creme
Opportunities

All recruitment advertisements on this page are open to both male and female applicants.

NO SHORTHAND!

Development Executive of large diversified group based in Central London, currently recruiting an Assistant. Qualifications needed are a bright, outgoing personality and the ability to work with a variety of people. Knowledge of shorthand and typing a great asset. Please send your CV to: **MARKETING** TO £3,000

DO YOU SPEAK ITALIAN?

Managing Director of International Group based in BENTON & BOWLES, a leading advertising agency, seeks a fluent Italian speaker with previous experience in advertising. Salary £2,500 per annum. Please send your CV to: **MARKETING** TO £3,000

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For small informal office in West End. International Management Consultants. Strong typing skills. Capable of dealing with periods of intense activity. Able to work with young men who are intelligent and very demanding. Salary £3,000 plus fringe benefits. Non-contributory life and medical insurances. Please reply by sending a copy of your curriculum vitae and a note to your own handwriting to:

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Person with common sense, initiative and high degree of tact and intelligence required for very responsible post to assist Staff Partner in running Personnel Section of City professional firm. Total staff approximately 200. The person appointed will be responsible for advising on matters of personnel and office equipment. It is also necessary to have a good knowledge of the firm's business and to be able to deal with the running of the office building etc. The successful candidate should have experience in a similar position. Salary £2,500 plus fringe benefits. Please send your CV to: **PERSONNEL** TO £3,000

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Public Company requires Secretary/Shorthand Typist with good education, to work at director level. Personal experience ideal. Pleasant, flexible personality essential. Age 25-35. Salary up to £3,400.

Tel. Mrs. Byzantine, 01-222 5091

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to Director of Finance - West London. Merit-based (UK) Ltd. are seeking a bilingual secretary to work with the Director of Finance in the West London office. The successful candidate will be responsible for the day-to-day running of the office and will be required to speak both English and French. Salary £2,500 per annum. Please send your CV to: **BI-LINGUAL SECRETARY** TO £3,000

01-437 9030

Challengers

Top Appointments Division

16/23 Oxford Street London W1

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A.P.R. SECRETARY

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Up to £4,000

Present Manager of a leading

fast-growing young office

of American Stockbrokers in

the City seeks well-educated

Assistant for a little secretarial

work and a lot of office

admin. He likes delegating

as you need to be able to

manage people in your own

age group without being

bossy, and you must have

a good sense of humour. Super

office, people and perks.

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For chief executive of the

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to 40. Pleasant office and

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club, good salary for

suitable applicant.

Write or phone the Secretary,

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urgently need help

(Secretary) to look

after the "Jungles".

Salary £3,000 o.n.o.

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MEDICAL SECRETARY

preferably with experience

of a hospital or clinic.

Salary £3,000 p.a. + perks.

4 weeks' holidays.

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Nursing Agency. Successful

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Bernard Levin

Getting ever tighter, this stranglehold on India

The transformation of India into a fully authoritarian regime under its steady dictator, Mrs Gandhi, has proceeded considerably further since I gave a detailed account here of the wide range of measures being used to censor, inhibit, harass, terrorise or drive out of business those newspapers and magazines still resisting her increasingly oppressive rule. Control of the press is, of course, a necessary for dictatorship as well as a useful definition of it, but it is only one part of the apparatus of tyranny, and today and tomorrow I propose to examine in some detail the Bill put forward to remove from the Indian Constitution the safeguards against the assumption by a Prime Minister of dictatorial power. The Bill has passed both houses of the Indian Parliament (in which Mrs Gandhi has a large majority for anything she proposes, made more secure by the continued detention, without trial, of many members of the Opposition), and now awaits the formality of its ratification by the states (India has a quasi-federal system of government). Meanwhile, Mrs Gandhi has just decided to cancel the parliamentary elections due next spring and already postponed for a year under her emergency legislation; she could not risk rejection by the people before she is in a position either to control the outcome of an election or to ignore it if it is not to her taste.

As Mrs Gandhi moves towards making her personal rule permanent, the President is turned into nothing but the instrument of her political will

meaningless safeguard of parliamentary approval. The Legislation, it should be noted, is an extension, though on a much greater scale, of the tampering with the Constitution that has already gone on since Mrs Gandhi started moving towards a dictatorship in June, 1975. Already, for instance, she has ensured that no declaration of emergency (under which she can act with dictatorial powers) may be considered by the courts, even one made *malafide*. Another alteration in the Constitution which has been put forward would give immunity from criminal prosecution for acts committed during, or even before, their tenure of office, the President and Vice-President, and other high political figures. And another such amendment, which was struck down by the Supreme Court, sought to place Mrs Gandhi's election beyond judicial scrutiny even though it had been held to have been obtained by corrupt practices. (Under the comprehensive assault on the remaining constitutional safeguards contained in the Legislation, the Supreme Court would be unable to make such a ruling.)

Under the Legislation, the President of India is deprived of one of the most important of India's constitutional safeguards: his political independence. As Mrs Gandhi moves towards making her personal rule permanent, the President's independence could be a barrier: he is now to be constitutionally obliged to act only as she directs, and his residual discretionary powers are withdrawn. At the same time, the President, thus turned into nothing but the instrument of the Prime Minister's political

will, is given vastly increased powers to amend the Constitution without the necessity of obtaining subsequent parliamentary approval. So since Mrs Gandhi will constitutionally control the President she will be constitutionally entitled to exercise arbitrary power. Moreover, a further item in the Legislation provides that laws and decrees made under a state of emergency will no longer lapse when the state of emergency itself ends; they will continue in force unless specifically repealed. This means that the Maintenance of Internal Security Act (originally passed under an earlier state of emergency, and now used to ensure that thousands of Indians continue to be detained without trial or redress) will remain in existence even when the emergency is officially declared to be over. In other words, the Legislation gives Mrs Gandhi the unchallengeable right to go on indefinitely imprisoning, no less indefinitely, anyone she disapproves of.

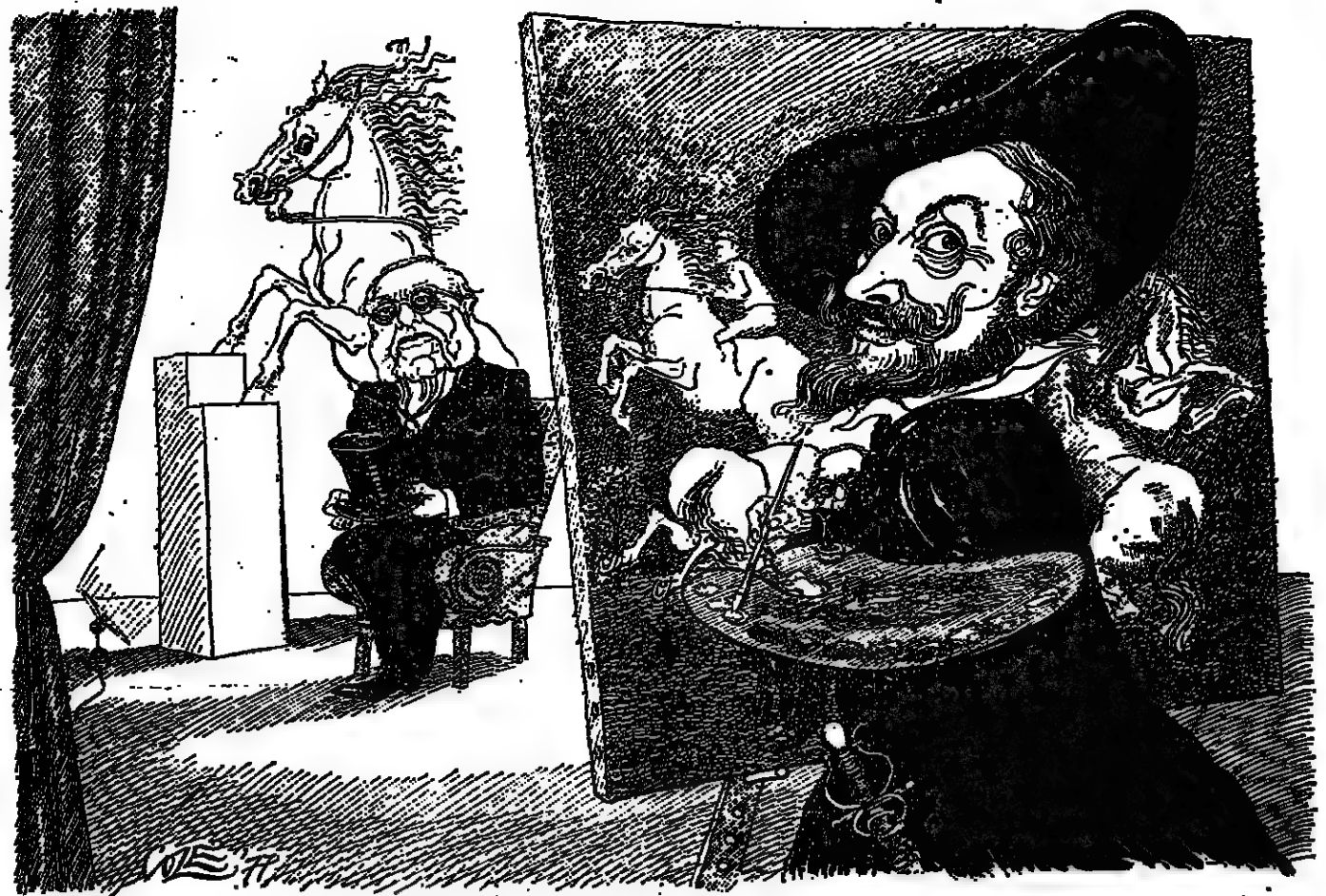
Nor is this by any means all in the pre-Legislation Indian Constitution, there were a number of clauses enshrining Fundamental Rights, which will theoretically remain even after the Legislation is passed; these include freedom of expression, association and assembly. It was long ago recognised that there were, or might be, circumstances in which these Fundamental Rights might have to be restricted or curtailed (even the most democratic of countries have, in war for instance, placed limits on many fundamental freedoms); but the Constitution ensures that any such restrictions on the Fundamental Rights must not be

"unreasonable", and gives power to the judiciary to determine what is and is not, in this context, unreasonable. Already, there have been encroachments on the Fundamental Rights: One of these being the right to acquire, own and dispose of property, a number of restrictions on that right have been, understandably, enacted over the years in order, for instance, to bring about agricultural reform, and these restrictions have been placed beyond judicial review. Mrs Gandhi has already added to the list of such freedoms restricting but scrupulously exempting a number of measures, including the Prevention of Publication of Objectionable Matter Act (which she uses to stop press criticism of her) and others, have been put beyond judicial review by their inclusion in a section of the Constitution previously confined to the restriction of property rights, though they have nothing to do with any such conflict of economic interests.

Now, however, she proposes to go much further, under the Legislation. Referring to the Directive Principles (also a basic part of the Constitution, laying down the aims and objects which the State should try to achieve in the interests of the people and their rights and welfare), the Legislation provides that no law or administrative action designed to further the Directive Principles shall be held contrary to the Constitution on the ground that it violates the Fundamental Rights—including the Fundamental Rights pertaining to liberty of opinion, equality before the law, and the freedom to associate with others in pursuit of lawful ends. The Constitution already allows for restrictions on such rights, provided the restrictions are not unreasonable; the Legislation removes that safeguard, and gives Mrs Gandhi the right to abolish at whim even the most fundamental of democratic rights, whether she is acting reasonably or not. All that is necessary is to declare that any such measure is required to further the Directive Principles, and since these are sufficiently wide for any law whatever to be said to be in accordance with them (they cover everything from equal pay to the right to work), there will be no possibility of challenging even the most tyrannous of enactments by claiming that it violates the Fundamental Rights and that its provisions are wholly unreasonable.

And it is already possible to see what kind of legislation Mrs Gandhi will introduce once she is freed of such troublesome restrictions as are provided by an obligation to act reasonably when taking away the people's basic rights. Incorporated into the Legislation is a provision to make illegal "anti-national activities", which are themselves defined so broadly as to give Mrs Gandhi the opportunity to prohibit any activity at all which she finds embarrassing or critical. The Constitution already contains a provision under which political activities may be restricted, but this is also subject to the oversight of the Supreme Court on the basis of whether it is reasonable or not. By putting such a clause into the Constitution itself, drawn as widely as this one is, Mrs Gandhi gives herself the power to stifle any kind of opposition without any fear that the courts may hold that she is acting unreasonably and that her actions are therefore unjustified.

I shall continue with an analysis of further provisions of the Legislation, and offer some conclusions, tomorrow. © Times Newspapers Ltd, 1977



A passion for horses: the Aga Khan and Peter Paul Rubens.

Rubens, the Aga Khan and curtain up at Finsbury Fields

- | | | | |
|---|---|--|--|
| 323 EC. Alexander the Great died 1377 | 19 Louis Aubert, French pianist and composer, born 1877 | 29 John Lothrop Motley, American historian, died 1877 | 17 William Henry Fox Talbot, pioneer of photography, died 1877 |
| 1377 Filippo Brunelleschi, Italian architect, born 1477 | 21 Heinrich de Spinoza, Dutch philosopher, died 1677 | JUNE | 22 John Bartram, American botanist and explorer, died 1777 |
| 1477 Sir Thomas More, English statesman, died 1535 | John Oxenford, playwright, translator and critic (The Times, 1846-75), died 1877 | 14 Mary Carpenter, educational and social reformer, died 1877 | 25 "Beautiful Railway Bridge of the Silvery Tye" was opened 1877 |
| 1577 Beatrice Cenci, Roman woman, subject of poems, plays and novels, born 1577 | 6 Rose Fyleman, writer for children, born 1877 | 15 Caroline Elizabeth Sarah Norton, writer, died 1877 | OCTOBER |
| 1577 The Curtain Theatre, London's second theatre, opened at Finsbury Fields | 13 Charles Cowden Clarke, writer, died 1877 | 16 Jean Baptiste Louis Gresset, French poet and dramatist, died 1777 | 7 George Gascoigne, poet, died 1577 |
| 1677 George Farquhar, Irish dramatist, born 1677 | 14 Juan Manuel de Rosas, Argentine dictator, died 1877 | 18 Sir William Lewis, journalist (The Times correspondent in Washington, 1920-48), born 1877 | 10 William Richard Morris, first Viscount Nuffield, motor-car manufacturer and philanthropist, born 1877 |
| 1677 Abraham Darby, iron manufacturer, born 1777 | 17 Patrick Brontë, clergyman and father of Charlotte, Emily and Anne, born 1777 | 21 Edward III, King of England (1327-77), died 1377 | 16 Francis Glisson, physician, died 1677 |
| 1777 William Henry Ireland, forger of Shakespearean manuscripts, born 1777 | 24 Walter Bagehot, economist and journalist, died 1877 | 28 Peter Paul Rubens, Dutch painter, born 1577 | 18 Heinrich von Kleist, German dramatist and poet, born 1777 |
| 1777 Sir Robert Ker Porter, painter and traveller, born 1777 | 28 Wenzel Hollar, Bohemian etcher, died 1677 | JULY | 21 Samuel Foote, dramatist and actor, died 1777 |
| 1877 The Library Association founded | 29 Royal Institute of Chemistry, founded 1877 | 4 Aventinus (Johann Turmair), scholar, born 1477 | 29 Wilfred Rhodes, cricketer, born 1877 |
| JANUARY | 10 Rayner Goddard, Baron Goddard of Aldbourne, Lord Chief Justice, 1946-58, born 1877 | 9 Henry Hallam, historian, born 1777 | NOVEMBER |
| 2 Christian Daniel Rauch, German sculptor, born 1777 | 12 Henry Clay, American statesman, born 1777 | Thomas West, 12th Baron De La Warr, colonial governor in America, born 1577 | 1 Roger Quilter, composer, born 1877 |
| 4 Cornelius Vanderbilt, American capitalist, died 1877 | Claude Prosper de Crèbillon, French writer, died 1777 | 27 Thomas Campbell, Scottish poet, born 1777 | 2 Sir Mohammed Shah, Aga Khan III, 48th head of the Ismaili sect of the Shia Muslim community, born 1877 |
| 7 Lorenzo Bartolini, Italian sculptor, born 1777 | 25 Guillaume Coustou, French sculptor, born 1777 | Erno Dohnanyi, Hungarian composer, born 1877 | Victor Trumper, Australian cricketer, born 1877 |
| 10 Spranger Barry, actor, died 1777 | 26 Sir Alister Gordon-Roe, aircraft designer and constructor, born 1877 | AUGUST | 9 Gilbert Sheldon, Archbishop of Canterbury (1663-77), died 1677 |
| 14 William Martin Leake, anti-slavery and topographer, born 1777 | 30 Karl Friedrich Gauss, German mathematician, born 1777 | 12 Sir Thomas Smith, scholar and diplomat, died 1577 | 10 Jacob Cats, Dutch poet and humorist, born 1577 |
| 22 Hjalmar Schacht, German financier, born 1877 | 4 Isaac Barrow, divine and mathematician, died 1677 | 14 Hans Christian Oersted, Danish physicist, born 1777 | 25 Harley Granville-Barker, actor, producer, dramatist and critic, born 1877 |
| 28 The emperor Henry IV paid penance before Pope Gregory VII at Canossa, 1077 | Louis Jacques Thénard, French chemist, born 1777 | 29 Brigham Young, Mormon leader, died 1877 | DECEMBER |
| 29 John Hughes, poet, born 1877 | 10 William Wedgwood Benn, First Viscount Stansgate, politician, born 1877 | 1 Rex Beach, American novelist, born 1877 | 2 Benni Elkan, sculptor, born 1877 |
| FEBRUARY | 15 Matheson Lang, actor-manager, born 1877 | 3 Louis Adolphe Thiers, French president (1871-3) and historian, died 1877 | 4 Madame Jeanne Françoise Récamier, French patron of the arts, born 1777 |
| 1 Thomas Dunhill, composer, born 1877 | 16 David Urquhart, diplomatist and publicist, died 1877 | 7/17 Stephen Hales, physiologist, born 1677 | 17 Albrecht von Haller, Swiss anatomist, died 1777 |
| 3 Hugh Kelly, Irish dramatist and poet, died 1777 | Sir Bernard Spilbury, pathologist, born 1877 | 9 James Evered Agate, dramatic critic, born 1877 | 27 Wenman Bassett-Lowke, model maker, born 1877 |
| 8 Robert Burton, divine and writer, born 1576-77 | 17 Edward Liffie, first Baron Liffie, newspaper proprietor, born 1877 | 11 Sir James Jeans, mathematician and astronomer, born 1877 | Nikolay Nekrasov, Russian poet, died 1877 |
| 12 Friedrich Heinrich Karl Fouqué, Baron de la Motte, German romanticist, born 1877 | 20 Sir Desmond McCarthy, critic, born 1877 | James Harrington, political philosopher, died 1677 | 31 Gustave Courbet, French painter, died 1877 |
| 17 André Maginot, French Minister of War, born 1877 | | | |

The Times Diary

English garbled world wide

One solution suggested by Gimson was to adopt an international synthetic pronunciation of English, an idea supported by the Duke of Edinburgh in a message of welcome he sent when he discovered he was too busy to come in person. "It is possible," said Gimson, "to speak a sort of English using only one vowel sound and 14 consonants." He demonstrated with a short reading, and sounded remarkably like Sir Harold Wilson.

He also suggested that foreigners might be taught Scottish English, with its flat vowels and absence of diphthongs, which everyone understood except the English. He rejected that, too, and concluded that it was best to allow different varieties of English to be used as right as left as long as foreigners got the stress patterns right, and did not say things like *suitable* and *testimony*.

Randolph Quirk, another of London University's English eminences, reminded everyone that international languages had never been chosen for suitability, but rather because of the political influence of the mother nation. Even Latin would not have been of much use had it not been taken over by Greek and "relocated itself", a term

which might trouble first-year students at Berlitz. English, he said, had only risen to its present prestige in the past 30 years, and its continued popularity largely depended on the continuing political influence of the United States.

Quirk did not much like the idea of a standardised English pronunciation. Standardisation after all, did not save Latin or French. Nationalism, which was currently popular throughout the world, would see to that. Quirk remarked that in Pad-dington station the other day he heard a train announcement in Welsh.

"In New Zealand recently I found that the only foreign language of which teaching is compulsory is Japanese. Elsewhere, German is much underused if you consider the power and influence of Germany. And Russian and Chinese are waiting in the wings. But I do not think that English will have any serious rival in this century or the next."

According to the BBC's Handbook for 1977, page 315, they now have a director of personnel, which shows just how far the economy drive has gone.

Disgraceful

Now that most of the nation has finally returned to work, Justus Serious, my concerned reporter, analyses the effect of the prolonged Christmas and New Year scoppage.

Apart from the West End shops, busily selling our remaining national assets to foreigners at knockdown prices, it has been the Christmas of the long sleep. At a time of financial crisis, can we afford all this time off? I sought the views of

some leading businessmen and thinkers.

I tracked down Sir Barely Stirling, chairman of Unco-solitated Consolidated, in his hotel room at Cannes. "It's disgraceful," he told me. "Your average working chappie now doesn't know what work is. Now take me, this is my first real holiday since September, and it was arranged well in advance. So I've had to deal with things as they crop up, and to type my angry letters to The Times."

When I put it to him that he was, after all, taking time off himself, he grew angry. "Class envy, that's what that is," he fumed. "A canker worse than racial hatred. It's what's bringing this country down. If the chaps on the shop floor would work a bit harder they wouldn't



Jack Lonsdale

Backhanders.

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Jubilee Britain

Britannia is about to undergo her most serious examination since 1952. This Special Report offers a new year diagnosis of her condition (together with a little history and a few constructive suggestions). Its pictures, starting on the right (index, page VIII), recall some landmarks from the past 25 years; for those preferring to look ahead, a calendar of Jubilee celebrations is on page V.

Illustrations: Mick Brownfield



Constitution under mounting attack

Twenty-five years ago there was general satisfaction with the constitution. There was even some pride in it, which the inauguration of the new reign secured. The British form of parliamentary democracy seemed to the British at any rate, to have got things about right.

The nation had weathered the perils of war and labours of postwar reconstruction, and was still very much intact. The constitution had shown itself enough to withstand those strains and flexible enough to absorb changes amounting to something like a social revolution. The precious products of the system remained: order, liberty, the rule of law. Even plenty was beginning to return. The nation had its troubles, but they were not perceived as being constitutional in kind.

How different now in the twenty-fifth year of the reign. There are few parts of the constitution—the monarchy is one of them—which are still very much intact. The target for radical reform is the sheer respectability of its origins. It is not Chartist, Marxist or Red Moles who are fanning the discontent, but peers of the realm, former Lord Chancellors, Lord Justices of Appeal. There is more constitutional radicalism inside the House of Commons than on Tower Hill.

Take Lord Hailsham. He is the Cicero of this time and place. He has held the consulship. He patrols the frontier between law and politics. He has due reverence for the official religion. He takes an elevated view of the duties of public life and eloquently expounds the perennial philosophy. No doubt when the dictator, whose approaching shadow he already spots, ascends the Capital, Lord Hailsham will be there among the conspirators: *et tu, Quintin...*

For the present he has the television screen, on which he declares that the historic British constitution is worn out, that we live under an elective dictatorship, absolute in theory if hitherto thought tolerable in practice, that we are moving to a totalitarianism which only a systematic and radical overhaul of our constitution can avert.

Lord Hailsham is echoed by the Moderator of the General Assembly of the Church of Scotland, no less, preaching from the pulpit of Westminster Abbey. While the roll of patronage of the National Committee for Electoral Reform, which was a proportional system, reads like the guest list for a Lord Mayor's Banquet (is it possible that some of the air may escape from that balloon with the advancing likelihood of a thumping Conservative majority under the unregenerate system of elections?)

The main thrust of complaint is that the checks and balances the constitution formerly provided have atrophied; that the blurred, but discernible, separation of powers which used

to mark it scarcely survives; that the sovereignty of Parliament has come to mean the exercise of power by the government of the day in the absence of constitutional constraints.

It is also said that arrangements devised for the use and control of political power at a time when the scope of government was narrow are obsolete now that the range and volume of public business have hugely increased; that this has permitted the bureaucracy to escape political control; and that in the political conditions of today the first-past-the-post system of election tends to produce a House of Commons whose composition is a grossly distorted reflection of the political sentiment of the nation.

Other developments help to build up a case for a new constitutional settlement. Even in its present flaccid form the EEC has considerably larger constitutional repercussions on Britain than were officially admitted when leave to enter was being sought from Parliament and people.

Community instruments abridge the legislative competence of Parliament and Community law enters, overrides and shapes British law. Meanwhile present plans for making the Union more to the liking of the Scots and Welsh tend towards a quasi-federal structure for the whole kingdom, which would profoundly alter the nature of the constitution, whatever may be the present pretence that it would not.

The analysis has led Lord Hailsham and others to advocate all or some of the following reforms: a new constitutional settlement in written form; the entrenchment of primary civil rights in a superior instrument; judicial determination of the validity of legislation; a second legislative chamber reconstructed in a manner which would permit it to interfere effectively with the ambitions of a government-dominated Commons; an electoral system which gives a more nearly proportional conversion of votes to seats.

There are preliminary paradoxes about this programme. One of the commonest complaints lying behind it is that a government at Westminster these days is too powerful, that it is—or may be if so minded—an elective dictatorship, able to ride roughshod over opposition and impose its will on resentful subjects.

Yet it is only three years ago that the question was being asked often by the same people: who governs the country, ministers sustained by an elected Commons or the National Union of Mineworkers? And in February 1974 the voters are supposed to have given the collective reply that they really did not know.

Which is the better description of the political background to the nation's present condition: the arrogance and excesses of elective dictatorship presided over by Macmillan, Wilson, Heath and Callaghan, or the feebleness of the same administrations, their vulnerability to political pressures, their fear of powerful interests outside Parliament, their deference to

what they supposed the electors wanted or would tolerate?

Another regular complaint is that the Commons is impotent in the face of the party whips, that it can talk to its heart's content but when it comes to action the only instrument it possesses is a rubber stamp. Doubtless for much of the time it looks like that, but not just now.

Government Bills have been getting a mauling in the Commons. The programme for this session has been shaped with a wary eye for what the legislature will swallow and digest. It is generally reckoned that the fate of the home-rule Bill does not lie with the whips but with unpredictable combinations of backbenchers. Similarly, complaints about the political emasculation of the House of Lords coincide with a successful demonstration of the use of its constitutional powers.

The symptoms of constitutional sickness do not all support the same diagnosis: which casts some doubt on the advertised cure. A second opinion perhaps?

In the early 1930s the volume of criticism of the constitution was as large as it is today. Then, as now, there was a failure of the political economy.

Those who work the system have failed by too wide a margin to match by their effects the expectations entertained by the public. When things go as badly as that, blame is not confined to those who work the system, it implicates the system itself. Naturally. And the system, being of long standing and consisting in large measure of the elevation into conventions, rules and principles of ways of doing business which have commended themselves to our predecessors, is only too likely to be vulnerable to criticism.

Before the case for wholesale constitutional innovation is received into the body of established wisdom, someone should blow the dust off those volumes which record the constitutional disappointments of the 1930s. The sources and tone of the complaints have a familiar sound, although the direction of criticism was sometimes very different from today.

(Winston Churchill, incidentally, commending his soon-forgotten proposal for an economic parliament to raise the level of policy in matters of trade and finance, anticipated Dr. Milton Friedman by half a century. The British parliamentary system, he said, will pass "only when it has shown itself incapable of dealing with some fundamental and imperative economic need; and such a challenge is now open.")

In the perspective which history affords it can be seen that the constitutional radicalism of the thirties evaporated in the warmth of economic recovery and reviving national self-confidence. And the constitutional radicalism of the 1970s? In the case of Scotland, anyway, time is not being given the chance to apply the same treatment.

T. J. O. Hickey.

State of the union

Divided we stand...

When the present reign began Britain was still an imperial power, the EEC was no more than a gleam in M. Monnet's eye, and the integrity of the United Kingdom was not in question.

These facts were not unconnected. As long as Britain was a world power with an international empire there was a special pride in the partnership with England. In the other nations of the United Kingdom it opened the way to a wider role and greater influence in the world's affairs than they could ever have obtained by themselves. As long as there was no European Community as United Kingdom offered the only alternative to the isolation of small countries: a friendless world.

But conditions have changed over the past 25 years. The Empire has gone, in a sense of success no longer attaches to the enterprise that is the United Kingdom. The European Community as brought both a reminder of the other British nations, particularly to the Scots, of their historic links with a wider Europe and an awareness that the nation state is no longer the only political unit that counts. A small nation can now be an independent state and part of a larger grouping.

For all these reasons the bonds that hold the United Kingdom together are looser than they were. At the beginning of the 1950s there had been the Scottish overland which attracted some two million signatures—some of them, probably bogus—in support of a decree of Home Rule. Scotland was stirring even then. But when the Queen came to the throne no Scottish or Welsh Nationalist had ever sat at Westminster.

Dr Robert McIntyre, now resident of the Scottish National Party, had, it is

true, won Motherwell at a by-election in 1945, but he had refused to take his seat and was then defeated at the general election a few months later. Now, with their appeal strengthened by the discovery of North Sea oil and with 11 MPs, the challenge of the SNP has become one of the most potent forces in British politics.

Plaid Cymru, with three MPs, hopes that Wales can follow in the wake of Scotland. And in recent months the call has been heard more insistently for independence for Northern Ireland.

Ulster is in many respects a special case. The trend there has nothing to do with oil, and is probably affected only marginally by the end of empire and the coming of the EEC. History shows that Britain does not need to be weak for trouble to erupt in Ireland, though an enfeebled Britain naturally finds it harder to cope with such trouble.

The conflict in Ulster is essentially between the different communities there. But Britain's failure either to resolve or to suppress that conflict; the growing sense of distance between Northern Ireland and the rest of the United Kingdom; possibly an awareness of the European dimension; and certainly an increasing mood of desperation have all encouraged some people in both communities in Ulster to suppose that they might be better off in a state of their own.

It does not follow that Scotland, Wales or Northern Ireland will break away. In none of these countries has the movement for independence attracted anything like majority support as yet. But one of the most fundamental changes over the past 25 years is that the continuation of the state as now constituted can no longer be taken for granted. Even if there is no alteration in the boundaries of the United Kingdom a much greater tension between the parts and the whole has become a central fact of its existence.

Bill, now ploughing laboriously through Parliament, is both an expression of that tension and an attempt to relieve its worst manifestations. If it finally reaches the statute book, which must still be a matter for speculation, it will have profound implications for the constitution of the United Kingdom.

The mere fact of creating subordinate assemblies in what has previously been a unitary state is itself a change of the first order. It is true that Northern Ireland had just such an assembly as far back as 1921, but that did not cover a sufficiently large part of the United Kingdom to affect its central operations. Assemblies in Edinburgh and Cardiff will be a very different matter.

These will open the way to much wider variations in standards and practices in different areas of the United Kingdom in such matters as housing, education, health care, social welfare, roads and planning.

Up to now the tendency in Britain has been to pay lip service to the principle of local autonomy but to insist in practice upon a high degree of uniformity in standards. But the assemblies in Edinburgh and Cardiff, and especially the new Scottish Executive, may well feel a need to justify their existence by establishing a different order of priorities in Scotland—much more so than the present Scottish and Welsh Offices—even if they are forced to do this slowly. If Scotland and Wales begin to display a greater freedom of decision then their example might infect the English regions.

A corresponding process of change that devolution might see in motion is for Westminster to become much more of an English Parliament in a double sense. The purpose of the scheme is to remove from Westminster consideration of a wide range of Scottish and Welsh affairs. By definition, therefore, a higher proportion of Westminster's time is bound to be devoted to purely English matters.

have on the position of Scottish and Welsh MPs? Public debate up to now has concentrated on their number. But will they, however many there are, come in to be regarded almost as second-class members whose prospects for office are severely restricted?

The distinction between devolution and federalism is drawn frequently and insistently. But one of the marks of federalism is that the range of a parliament's responsibility and power is circumscribed in law. So too will Westminster's be in effect through this scheme of devolution.

That is not so in theory. The sovereignty of Parliament remains intact. But the scope of Scottish assembly legislation will be determined judicially. Although ultimate authority will remain at Westminster the demarcation lines between London and Edinburgh will largely depend upon how the courts interpret the Act.

That will amount to a modification of the absolute sovereignty of Parliament—because Westminster will inevitably be more reluctant to nullify a judicial decision on such a question—and may over a time bring about a change in the role and attitude of the judiciary, who have up to now shied away from political decisions.

There are other constitutional consequences that are implicit in the way that devolution is handled. The campaign for more referendums has received a powerful boost from the Government's decision to hold them in Scotland and Wales. The cause of proportional representation may also be helped. Supporters and critics of both are well aware of the value of precedent.

The devolution Bill is designed as a measure to hold a line against the still further encroachment of political forces. But even those who believe in the need for such an operation may acknowledge that over a period it may possibly change nearly as much as it may preserve.

Geoffrey Smith

The middle classes Pity the poor professional

The first 25 years of Queen Elizabeth II's reign have witnessed an important shift within the British social system—the relative impoverishment of the professional and managerial middle class, and its consequent demoralization.

It can be argued that this is neither a new phenomenon, nor one confined to Britain. All over the world, industrial workers have increased their real incomes relatively faster than middle class groups since 1945. Indeed, it can be argued that the narrowing of income differentials between the classes began much earlier. Before 1914, for instance, a professor in a British university earned eight times the average wage in manufacturing industry. By the end of the 1930s, the ratio had fallen to four times, and ever since it has continued, and is continuing, to fall.

What does seem clear, however, and is of enormous social, economic and political significance, is that the process of middle-class impoverishment has proceeded much faster and faster in Britain, especially in the past two decades, than in its main industrial competitors, the United States, West Germany, Japan and France.

It used to be an axiom of market economists, or for that matter of moralists, that those who carried higher responsibilities should be paid more. A process has been set in motion which precisely reverses this rule. The industrial and economic consequences are enormous and obvious. We see them every day.

If, in 1952, it had been reported that an engineer at Rolls-Royce, with a first class honours degree, had found it paid him to take a job in the cleaning department of the same firm, there would have been uproar. Yet exactly such a case was reported in November, 1976, and attracted little notice; and in the meantime, during those 25 years, Rolls-Royce had not merely ceased to be an outstanding "blue chip" investment, but had been saved from extinction by state cash. Naturally the two phenomena are connected.

In the long run, though, the social and cultural consequences of this huge shift of rewards, especially within a low or mid-growth economy like Britain's, may prove far more significant (and frightening). The professional, who had an income four times that of a manual worker in 1939, now has one which is markedly less than twice as big, and still falling fast, relatively.

Generally, professors (I suggest that culture in Britain seems likely to depend in great part, as before, on middle class support; and if this is weakened by a continuing massive transfer of spending power from the middle class to manual workers then the level of culture must suffer, as the closed shop. During

the past two decades, and especially in the past three years, middle class groups have rightly perceived the link between the relative financial gains of manual workers and the forms of industrial action they employ.

Here, half a century ago, used to present their creed as a process of exaltation. The purpose of socialism was to raise the industrial workers to the educational, cultural and moral standards which the middle classes, especially the professional middle classes, had always taken for granted. There would be a gradual and welcome *embourgeoisement*, thus would the class differences be bridged.

In fact what we have been watching, in my case with mounting horror, and especially over the past 10 years, is precisely the reverse.

There has been, among the ideologues of the left, and especially among radical trade unionists, not only a relentless pursuit of class warfare (epitomized in a recent and notorious Labour Party political broadcast) but a defecation of what are termed "working-class values", and a consequential assault on middle-class ones. Moreover, the business of standing social progress on its head has received an enormous impetus through the growth of union power and, latterly, by the statutory enforcement of such devices as the closed shop. During

Paul Johnson
Former editor, the New Statesman

On other pages

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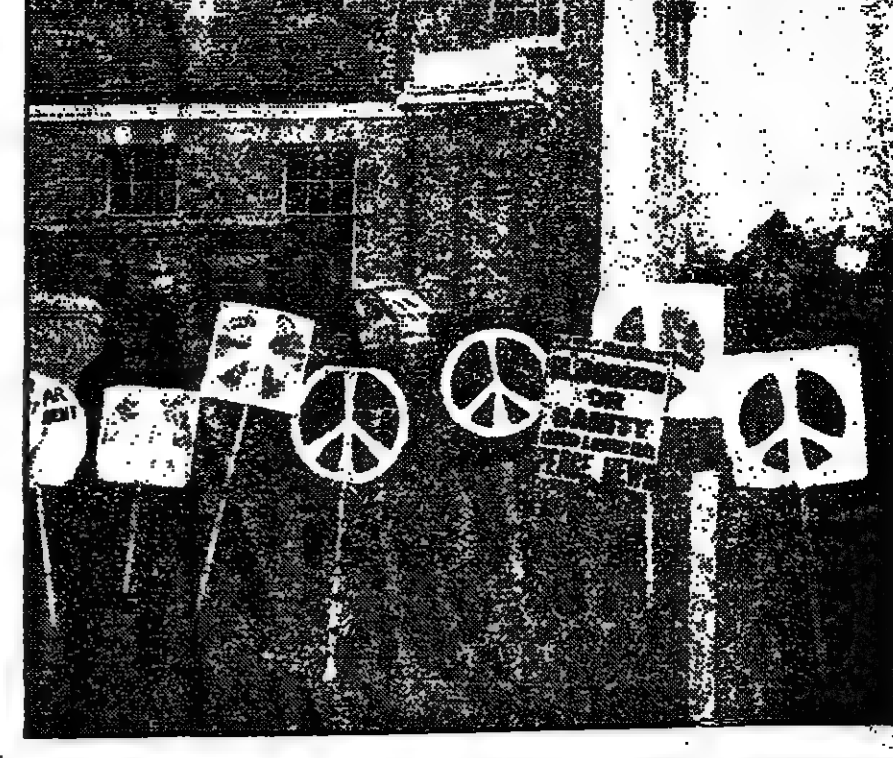
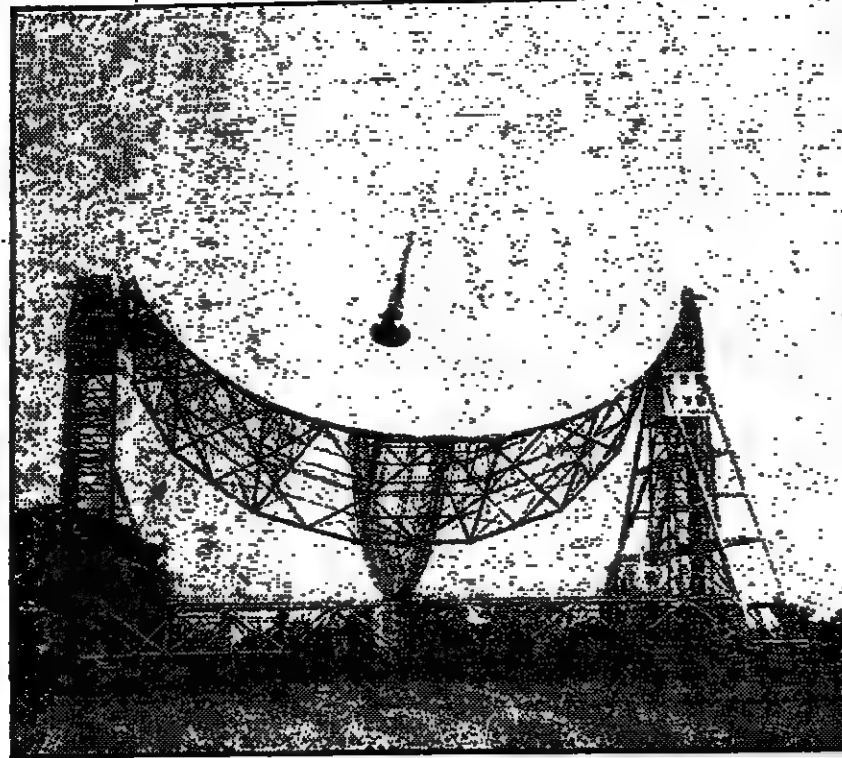
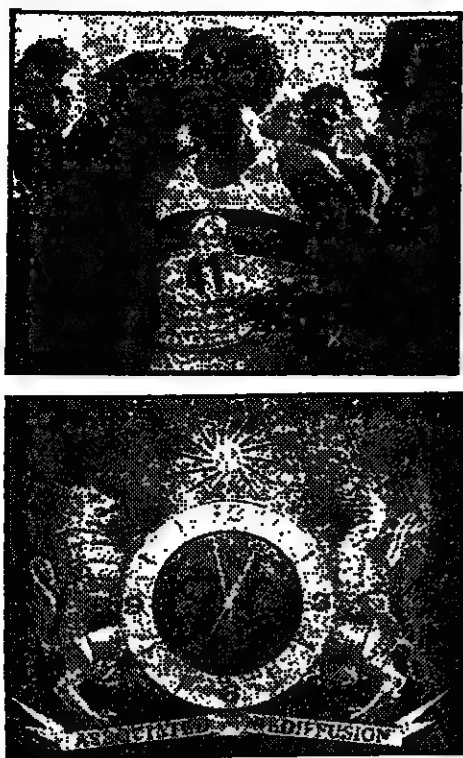
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Monarchy

No offence given...

by George Hill

When Elizabeth II became Queen, Britain still looked like a great power. But there was something hectic and uncertain about the often inflated celebrations of national pride that centred on the new Queen. Now, 25 years into the second Elizabethan era, it is as fashionable to represent Britain as a dead-beat nation as it was then to invoke the Golden Age.

As for the Queen, anyone who breathed a word of public criticism of her in 1952 would have been liable to physical assault. Today it is customary for the Crown to be referred to in the same tones of half-parodying, half-affectionate mockery as other worthy institutions like the WRVS and the BBC. The habit of deference has declined. The monarchy has attracted remarkably little hostility in the course of these changes, but some aspects of its role, particularly its ceremonial and exemplary functions, have clearly lost some of their grip on the public. What is most obviously left is the Royal Family as a family, inexhaustibly replenished in interest by births, marriages and rumours.

But this is not a side of its appeal that has ever been accepted with much enthusiasm in the Palace. It is too much like showbusiness, and it is too hard to reconcile with the need for privacy. The young Queen had small children, attractive and vulnerable to outside curiosity, and in the early years of the reign public relations deteriorated. The Palace was protective to the point of grumpiness; the press was in a fairly voracious and

irreverent phase and as the royal children grew up the relationship has become more confident on one side and less glowing on the other.

Queen Victoria once allowed a recording to be made of her voice, but stipulated that it should not be passed around for anyone to hear. That little lost cylinder was a portent of an age when it was first possible and then necessary for the Sovereign to appear before his people not glimpsed remotely, but at electronic close quarters. Queen Elizabeth, with no great aptitude for the television fire-side chat, has searched for the right style diffidently but earnestly—the *Royal Family* film made in 1959 was the boldest initiative in that direction.

But the public probably do not hanker for novelty as much as some commentators suppose: there was a storm of protest one year when her grandfather's tradition of a Christmas broadcast was dropped, and an innovation as modest as the "walk-about" was received in 1970 with rapturous acclamation. Evidence of a desire to please is welcome, but it would be a mistake for the family to strain after an image, whether that of an intellectual Camelot or of an everyday story of everyday folk.

Quite apart from the style in which the business is carried on, the monarchy might have come to seem hopelessly anomalous in the age of death duties and life peers. Especially in times of economic stringency, republicanism is expected to become almost as live an issue as abolishing the House of Lords. In both cases, a moment's consideration of the alternatives goes far towards cooling radical ardour. Even as seen by separatists in Scotland and Wales, the future of the

Crown is not really a problem. The Royal Family has been at pains not to give offence. Efforts have been made to keep associations of extravagance and privilege at a distance. The absurd custom of presenting rich girls at court was quickly dropped in favour of lunches and cocktail parties with mountaineers, trade unionists and community relations workers. The royal children were sent to private school.

It would be no fun to have a skimpy monarchy. Nevertheless, the royal finances have been a matter of mild controversy in the 1970s. Inflation has destroyed the old system whereby the annual Civil List payment was set at the outset of a reign and expected to grow for 20 years. After the Queen had had the embarrassment of begging publicly for a rise twice in four years, the Civil List was subjected to the ordinary Commons supply procedure, under which it can be changed (but also examined and queried by MPs) every year.

Today the Civil List stands at about £1.5m a year. An Edwardian royal duke might have cost as much to maintain as a baronet, but today the entire Civil List would not even lay the keel of a through-deck cruiser. Over the years, however, an increasing number of the peripheral costs of royalty have been met by direct departmental vote, and ceased to be under royal control in any real sense. It is easier to say that the royal business is thriving than to identify just what its specific costs are.

This tendency to closer oversight is no doubt not wholly welcomed by the Royal Family. There is every

sign that the Queen values independence as much as privacy. The idea of a monarch symbolically in charge of us all would be more of a strain on the imagination if she was not actually in charge of a good deal. If there ever was serious dispute over the royal finances, it would probably not concern the running costs, so much as the Queen's private wealth. The Palace has always resisted the idea of making details of its public or of consenting to its being taxed.

The only official clue to its extent was a statement in 1971 that the figure of £50m was "wildly exaggerated". In recent years it has been substantially drawn on for purposes that really should have been met by the Civil List.

The Palace finds a conceptual difficulty in the idea that the Sovereign, the national recipient of all taxation, should herself be taxed. Elsewhere there is a persistent feeling that if the money is truly private it should be taxed, and if public it should be visible.

The Queen's constitutional role has also become narrower in some ways. In her day-to-day political contacts it may have increased. She writes hard at her state papers and is said to be a shrewd judge of the world. But she must possess a formidable experience. Careful as she is to avoid politics in public, she probably finds little difficulty in private with prime ministers in intimating a reservation when she feels one.

But in the crucially important cases where the constitution allows the Sovereign to take a formal initiative, the effective scope has shrunk. When a prime minister resigns there are technically no ministers to advise her: she must decide whom to invite to form the next admin-

istration, and whether or not to allow Parliament to be dissolved. After the scramble for the premiership in 1957, the Conservatives followed the Labour Party in devising an interminable procedure for electing a new leader. The Queen would be expected to send automatically for the winner.

Her power to refuse a request for a dissolution was urgently debated in 1974, when no party possessed a secure majority in the Commons. Some Labour politicians claimed that the power had lapsed through long disuse; certainly if Mr Wilson had asked and been refused, deep resentment would have been caused. But if Mr Heath had cobbled up a coalition with the Liberals, as he attempted to do, and failed to pass an early test in the House, the Queen would probably have been wrong to let him try his luck at the polls again. In the same way, it is possible to imagine a situation with a deeply divided ruling party where its elected leader might not necessarily be the person best able to command a majority.

On Mr Harold Macmillan's evidence, she is not at all intimidated by these responsibilities, and attaches great importance to their remaining available. The recent furore over the Governor-General of Australia indicates that this kind of intervention is very hard to carry off without the personal continuity and aloofness from politics that a hereditary system can supply.

It is hard to predict what the effect on the monarchy would be of a similar crisis in Britain (the constitutional position is identical). But at a subliminal level almost out of the reach of opinion polls, it is likely that the primitive, half-religious spell of kingship still retains more force than might be supposed.

by Philip Ziegler

Historians and journalists have rarely hesitated to state their views about the attitude of the British people towards their monarch. George IV was the most hated man in the kingdom; when George V died, the nation wept; such clichés trip blithely off the pens of scholars who in other spheres would weigh their evidence with caution and reach only the most qualified of conclusions.

Sometimes they may have been right; sometimes undeniably they were wrong; in every case they based their judgment upon a foundation of almost total ignorance. "For we are the people of England, that never have spoken yet"—and into the resultant void the propagandists have slipped their tidy version of what the people would have said if only somebody had thought to ask them.

Recently people have begun to ask them. For the Coronation of 1937, Mass Observation undertook the first intensive survey of what the British really did feel and say about the institution of monarchy. Since then the place of royalty in the life of the citizen has been a first preoccupation of this organization; a concern that will continue into 1977 with a full-dress survey of the Jubilee.

Then after the war came the age of the pollster. The British citizen found himself cross-examined about his sexual habits, his taste in soap and, most frequently, his opinion of the Royal Family. On 17 occasions since the Queen's accession a poll has been taken to establish, in general terms, whether the British would

prefer a change to a republican system. On one occasion only 8 per cent voted to replace the monarchy; on another, soon after much adverse publicity had been given to the royal finances, the figure rose to 19 per cent. A rough-and-ready average suggests that now just over 12 per cent would favour so radical a change.

Such a statistic means little by itself. Why do 12 per cent of the people so dislike the monarchy; why is so vast a majority evidently content with what they have; and how, if at all, has public opinion evolved over the past 25 years? The archives of Mass Observation provide some of the answers; so, too, do the 5,000 letters which I have been dealing directly with the problem. From such evidence it is possible to establish the thinking behind people's attitudes, or, at least, the reasons which they advance to explain their attitude.

The picture is one of somewhat depressing uniformity: early on I was able to establish a list of the dozen or so points emphasized most often on either side and thenceforward everything slotted into one or other list in proportion that varied scarcely at all over the years.

Among those who favour a republic, financial considerations bulk by far the largest: for every one person who puts forward the case for monarchy, five maintain that the country cannot afford the monarchy or that it is unjust that the Queen should spend so much while old age pensioners struggle for a living. Other substantial groups exist—the levellers, who deplore any privilege based on birth; the active radicals, who fear that the monarchy produces a deferential frame of mind and saps the will to change; and the ancient Britons who

dislike being ruled by a bunch of Greeks and Germans.

But it is the cost of the royal yacht, Princess Margaret's holidays and an extra £300,000 on the Civil List which set the blood of the republican coursing more vigorously through his veins. The remaining 88 per cent are more difficult to analyse, if only because not all of them are truly monarchist. They extend from the fanatical loyalist, who feels that even a breath of criticism is the blackest treachery, to the indifferent onlooker, who dislikes the pomp and extravagance but suspects that anything else might be even worse.

Some people frankly admit that what they like about the monarchy is the glamour and excitement: the processions, the golden coach, the Household Cavalry. For them the monarchy is either circus or soap opera—the longest serial ever staged, featuring Prince Charles's girl friends as the current focus of interest.

Next come those who defend the institution on utilitarian grounds. The Commonwealth needs a titular head, a president would be almost as expensive and involve all the tedium and unpleasantness of elections. Royalty might cost a lot but is worth every penny of it as a tourist attraction.

Others, probably the most substantial group, find less tangible values in the monarchy. In some, usually ill-defined way, it is seen as a bulwark against extremism; a high proportion of those who champion the institution assume that its abolition would be a step down the path of totalitarianism. The Crown is valued as being a significant part of our national heritage; as a symbol above class and politics which unifies country and Commonwealth; as provid-

ing an example of decency and decent living to which the rest of us can aspire.

One thing emerges strongly. The 25 years since the tumultuous coronation of Queen Elizabeth's Coronation have seen a marked falling off both in overt support for the monarchy and in the interest taken in it by the media. This was inevitable: as the Duke of Edinburgh himself has remarked, it is a great deal easier to get excited about a young, attractive monarch ushering in a new age of hope and adventure, than a middle-aged Queen stoically doing her job. The 1953 Coronation was presented as a moment of national resurgence, the birth of the new Elizabethans; impoverished and disillusioned as we are, it would be surprising if the symbol of our regeneration did not look a little bedraggled also.

It is significant that the two great triumphs of monarchy in the past 50 years have been the Jubilee of King George V and the Coronation of Queen Elizabeth. The first was the apotheosis of a beloved father-figure, the man who partly through his mastery of the new medium of wireless had broken through to an astonishingly personal relationship with his people. The second was the victory of youth and hope.

One can perhaps deduce that the British people like their monarchs old, wise and paternal or young and hopeful. In that case things will not progress very far for the Royal Family as the Queen sits longer on the throne. To abdicate would be to throw away those arduous middle years in which she is working her way to revered longevity. To hand on the Crown to a grandson of about 20 might be the ideal formula for the happy perpetuation of the monarchy. The Diamond Jubilee of 2012 could be a suitable occasion.

Law

The age of reform

by Sir Leslie Scarman

The past 25 years will not be forgotten in our legal history. They are the age of legal aid, law reform—and Lord Denning.

From his carefully chosen point of vantage in the Court of Appeal, Lord Denning has exerted an abiding influence—sometimes rising to positive direction—in developing the law during a period of social and economic transition. Creative, controversial, and by no means immune from reversal by the House of Lords, he has shown this generation how a judge can steer a course in the mainstream of national life without sacrificing the truly judicial approach.

The climactic change in our law began with the enactment of the Legal Aid

and Advice Act 1949. It has set its stamp on all legal development and reform. It opened up the courts to the poor; and by doing so helped to expose some of the cruelties of the law which, had they merely troubled the well-to-do, would never have been swept away—for example, our divorce law before it was reformed in 1969.

Once everybody (or almost everybody) for the financial limits of legal aid do not yet avail the new poor—those whose resources put them beyond its help but do not suffice to meet the costs of going to law) could invoke the law and public money being spent in their support, interest in cheapening the legal process was, and reforming the law grew fast.

Public opinion was, therefore, right for law reform. The Law Commissions Act 1965 was seen to be oppor-

tune and appropriate. It established two law commissions—one for England and Wales, and the Scottish Law Commission. The cynics said at the time that Parliament would not find time to consider and enact their proposals for reform. How wrong they have proved to be. Great reforms in the substance of the law have been achieved by Parliament, acting on law commission recommendations, most notably in family and criminal law.

The Divorce Reform Act 1969 and the Matrimonial Proceedings and Property Act 1970 have changed the direction of the law. Where it once focused attention on matrimonial "guilt", it is now primarily concerned with the consequences for the family of matrimonial breakdown.

In this age of law reform, the law commissions have

not been alone. Lord Gardiner—the Lord Chancellor whose vision and energy were responsible for the Act of 1965—decided, when he set up the Law Commission, not to suppress the existing agencies for law reform but to spur them on to greater endeavour. The Lord Chancellor's Law Reform Committee has continued to promote reform of the civil law.

The Home Office's Criminal Law Division Committee has continued to make major contributions to the reform of the criminal law. The Theft Act 1968 is the product of its work—a reforming statute of great importance, and a successful one.

It is often said that not enough attention has been paid during these years to the reform of legal procedures. There is some justice in the criticism. It is not that, when the Royal Commission on Legal Services has reported, a profound review of the procedures of the law with the aim of cheapening and speeding up the legal process will be undertaken. But a good deal has been done during these 25 years. County Court jurisdiction has been extended; a scheme for handling small claims has been instituted; and there are now ways and means of "leap-frogging" from the Divisional Court direct to the House of Lords, when all that is wanted is an authoritative ruling on a point of law.

But the statute of cardinal importance is the Crown Courts Act 1971. It consigned to the history books our ancient criminal assizes and substituted throughout the country a system of Crown Courts manned by a new judicial breed—the Crown Court judge. The Act has succeeded in its principal object. Criminal justice is administered where it has its greatest social impact—in that part of the country where the offence was committed; and there are enough

judges of excellent quality available to do the job expeditiously. Of course, there are continuing problems; but the Act is a milestone on the way to their solution.

The activity of Parliament in law reform has reached well beyond the recommendations of the law reform agencies. There has been a series of useful criminal justice Acts, and one extremely important Criminal Law Act. Entrance into the EEC has necessitated an important reform.

The European Communities Act 1972 introduced into English law a new source of law, and a new supreme court. Community law now prevails over municipal law, and our courts must accept the rulings of the European Court of Justice as to its interpretation.

Finally, in reviewing the legislative contribution to the reforms of this quarter century, one must not overlook the programme of statute law revision. Initiated by the law commissions, drafted with great skill by parliamentary counsel, exhaustively reviewed and constructively criticised by a joint committee of the two Houses of Parliament presided over by a law lord, this programme has produced a series of revising statutes, which have diminished the size of the statute books and made available in modern, well-drafted statutes, many branches of the existing law.

This unglamorous work is infinitely rewarding to the public. In an age marked by vast increases in the volume of statute law, Parliament has to have, and does have, a programme designed to modernize and keep in coherent shape the law it creates.

Amid all this legislative activity the courts have been far from idle. In July 1966 the House of Lords declared itself no longer bound to follow its previous decisions. A continued on page VIII

Unions

The real fourth estate

by Paul Routledge

Any jubilee year assessment of the state of the unions must begin with the state of the social contract. Its friends insist it is alive and kicking. Its enemies argue that the socialist "life force" that the political deal between unions and the Labour Government originally embodied has died.

What is undeniable is that the past few years have seen an unusual experiment in the way we organize our social affairs. Future governments will not need so closely the voice of organized labour; but it cannot again be ignored.

It may confidently be left to the social historians to pronounce on the value—political, economic and social—of the understanding reached between the TUC and the Labour Party leadership during the days of Mr Heath's administration. Today, we can seek only a mid-term report.

The roots of the social contract lay in the years immediately after Labour's catastrophic defeat in mid-1920. The midwife of the move to revitalize traditional links between the party and the unions was ironically the Tory Government, whose policies on industrial relations and wage restraint were unpalatable to a TUC General Council that was becoming dominated by men of the left.

But the real watershed was the 1972 miners' strike. It brought the realization of the political gold contained in the joint programme much closer. For those who lived through it at close quarters, that struggle marked a post-

war break in history. At first, nobody believed that it would develop into the naked class struggle that we now see.

That dispute destroyed some of the fundamental assumptions of British society and prompted a new sense of self confidence in industrial action. Not just miners, but gas workers, power workers, civil servants, and others who had not traditionally been associated with industrial action joined the struggle against the Conservative administration. These efforts restored backbone to the TUC.

After a long period of almost meaningless consultation the unions, collectively found themselves able to influence the course of events. The strikes and the campaign against the industrial Relations Act propelled them into a critical position of social partnership. It is a myth that the Labour governments of February and October 1974 were ever under trade union domination. The reality is that the unions never did "run the country", nor did they seek to; nor are they (given their present power structure) capable of doing so.

They certainly have influence, but not actual power. In many ways union leaders have been taken aback by the success of the miners. Believing the propaganda of the newspapers, they feared the worst—a Tory landslide at the hands of an electorate that feared the advance of trade union power.

It turned out exactly opposite. The voters decided that they had enough of the Labour Government and reluctantly put into office the party that claimed a working relationship with the unions—ironically a situation towards which the Conservatives are groping today.

In retrospect, the zenith

of trade union influence was in the immediate post-election period of 1974 and early 1975, when the Government went along with many of the TUC's proposals: abolition of the Industrial Relations Act and the Housing Finance Act; scrapping the pay restraint laws and dismantling the Pay Board.

Food subsidies were introduced and new rights and privileges were granted. Unions introduced in the Employment Protection Act. The Agricultural Workers Union got their way on tied cottages and the shipbuilders' and the like—began to see the fruits of their joint labours with the Labour Party to work out a joint nationalisation programme for the industry.

The mood began to change perceptibly in May 1975. Instead of a White Paper and a Bill on industrial democracy, the Government set up an inquiry that the TUC did not want, albeit one whose terms of reference reflected the unions' desire to extend further their role in industry. From July, pay restraint began to be synonymous with the social contract and the other elements of the package—employment, price control and more—began to assume a less commanding position. Far from appearing to be a dominant, or at least equal, partner, the TUC became clearly subordinate.

Since then the shattering economic realities have halted trade union advance. The collective nerve of the TUC General Council has been shaken and most Socialists felt obliged to fall in with the economic imperatives.

An unusually frank glimpse of this political reality came recently from an unexpected quarter, the Scottish TUC. Rejecting their proposals for import

controls and a siege economy, Mr Callaghan bluntly told the Scottish union leaders: "There is no alternative economic strategy," and they had the temerity to come outside and admit that he had said so.

There lies the rub. The myth of trade union government is most strongly evident in the gap between the confidence of the TUC in 1974, and the occasionally churlish and frequently dismayed tone of its statements now.

Perhaps the decline in their influence was only to be expected. Politicians are not by nature good power sharers and there is no reason to expect Labour politicians to be different from any other. But the circumstances in which Labour took office have exerted a lasting influence, and one that will almost certainly be perpetuated, though modified, by a future Conservative government.

The dinners with the Chancellor at No 11 Downing Street may not be so cosy or comradely, and the invitations to the house next door not so frequent, but it is already clear that most Conservative leaders do not want to repeat the mistakes of their last term of office. There are still the adherents of the Armageddon theory: that one day there will have to be a great confrontation with the unions. Their views do not hold sway in the Shadow Cabinet.

There will not be a social contract between the Tories and the unions, but as Mr Thatcher's forthcoming meeting with top TUC leaders demonstrates, the unions have reached a position of institutionalised influence that should not be easily ignored or underestimated.

The author is Labour Editor The Times.

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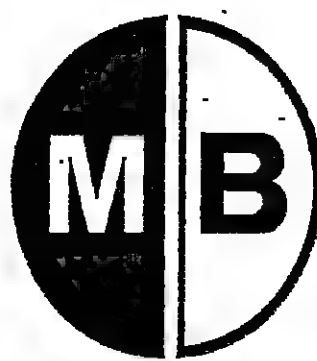
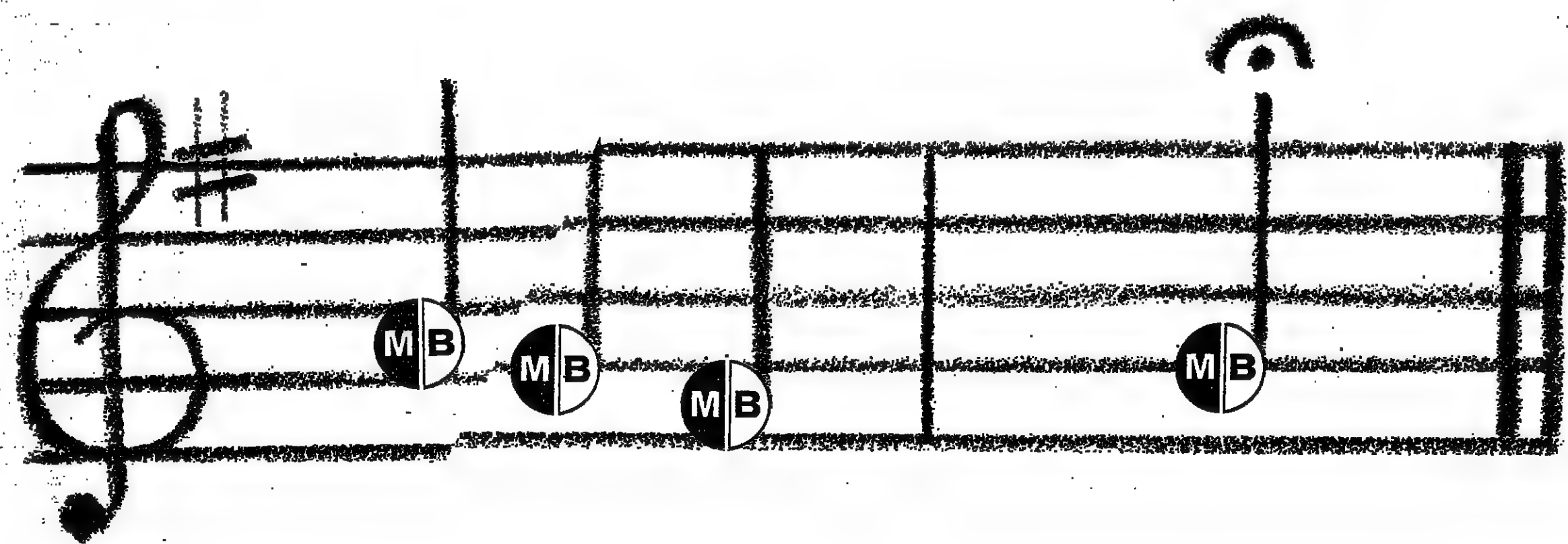
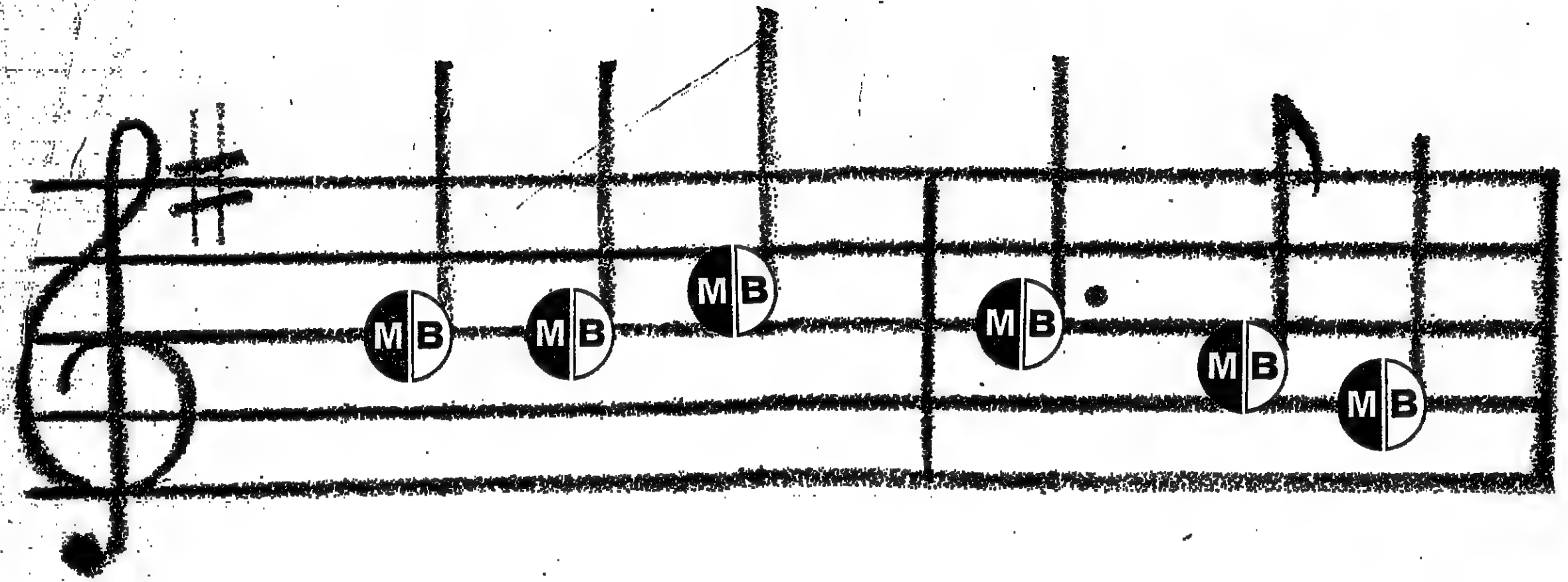
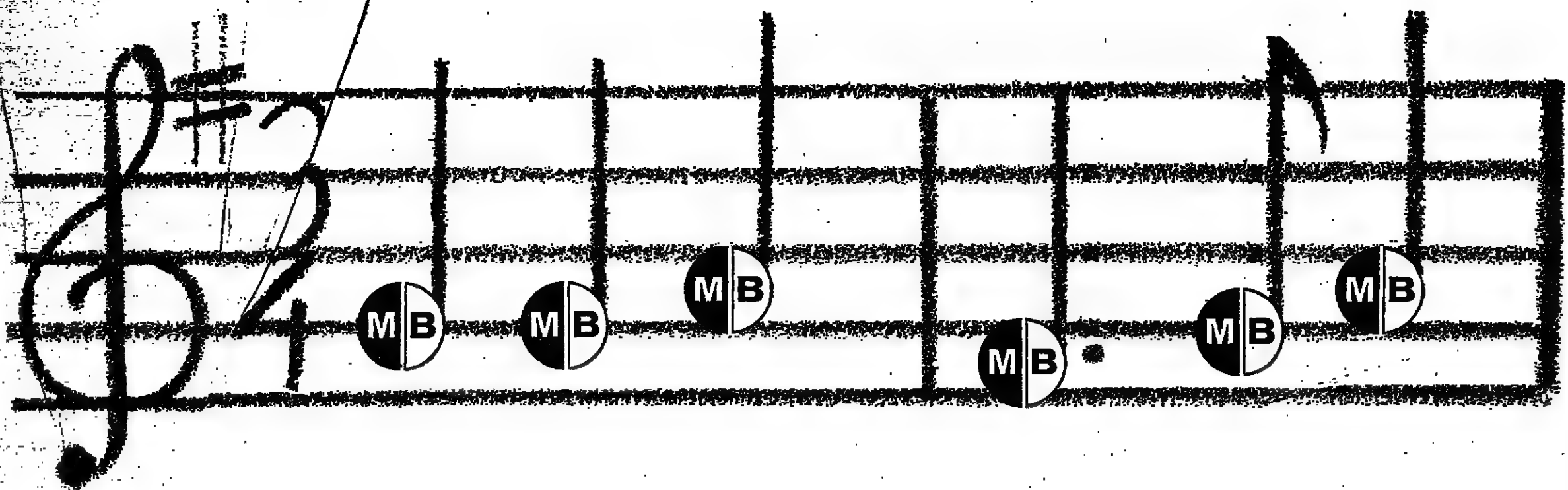
British Census 1952—486,998
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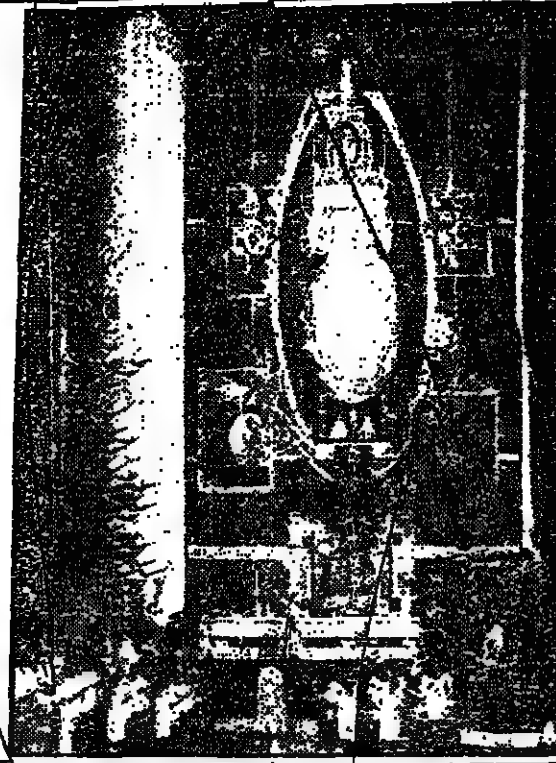
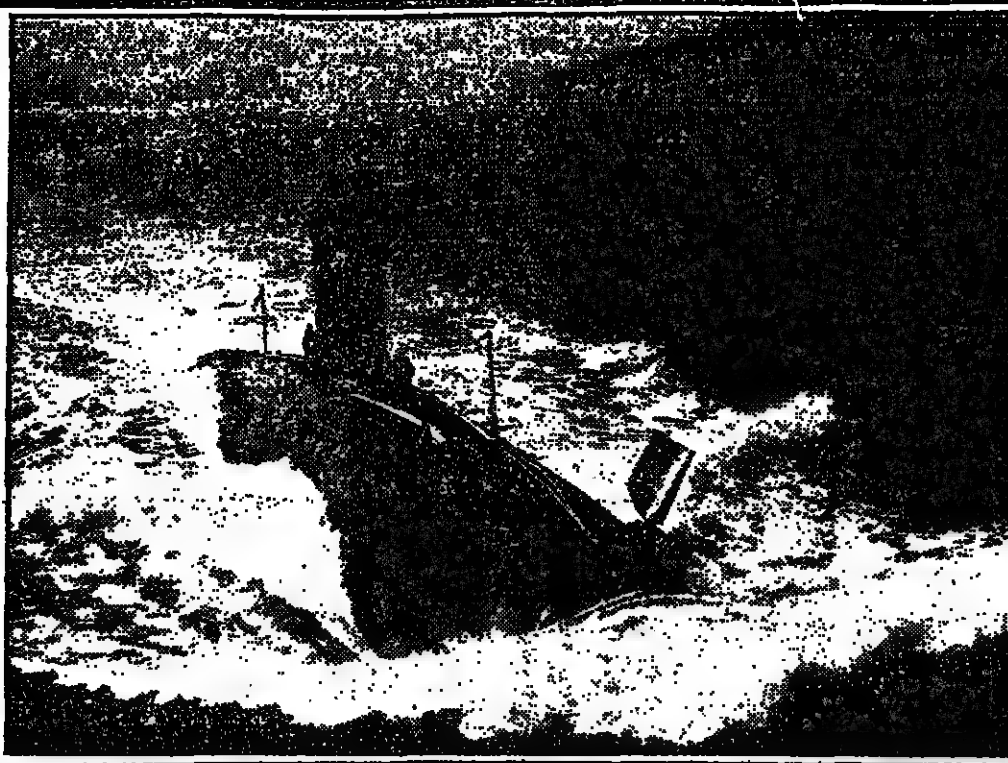
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Scouts



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Science and technology

After the white heat cooled

by Sir Alan Cottrell

In 1952 the way forward for the country seemed obvious. Science would tell you what could be done and technology would say how to do it. Give the scientists and technologists their heads, with plenty of money for their researches and projects, then—hey presto—it would all happen; industry would sparkle with new products, the world would scramble to buy them, and prosperity would break out all over.

After all, had not science and technology already brought off even greater miracles—radar, atomic energy, penicillin, and so on—during the Second World War, and were they not performing just as well in post-war Britain, with their super-sound aircraft, computers, polio injections and contraceptive pills?

But in all this there is a *post mortem* which was hardly realized then and is often poorly understood today. It is that when commercial success is the goal of scientific and technical endeavour, the problems are raised to an altogether different standard of difficulty.

In the 1950s the eloquence of some scientists persuaded ministers of even the very converse of this, in suggesting that, on the long road from laboratory to market place, only the first step—pure scientific research—was really critical. Governments thus became generous patrons of the sciences and at one time went so far as to appoint a Minister for Science.

There were warning voices, of course. The engineer Sir John Baker felt impelled in 1962 to point out that "science earns a nation no divi-

deals until it has passed through the mills of technology". But technology, in government then, meant something quite different from earning a living. It meant, instead, the excitement of spending money on glamorous and prestige-packed ventures, in "big science" or in advanced technology. It meant gladiatorial combats in the Commons on defence policy, the drama of summit meetings in Washington and Paris, the thrill of pressing ceremonial buttons to start up nuclear stations or launch new rockets, the delight of newspaper headlines announcing technological "firsts" for Britain.

And so the great projects flourished and multiplied—TSR2, Blue Streak, VSTOL aircraft, Concorde, Celler, Heli, Zeta, Atlas computer, Ariel, Zeta, radio-telescope and nuclear accelerators—with scarcely a commercial pulse running through any of them.

After the early 1960s, however, the cavaliers of romantic technology were in retreat before the withering glare of the cost-effectiveness roundheads. For this was the time of Mr Hesley's Defence Reviews. And, in an attempt to give science and technology a commercial and economic purpose, Mr Wilson launched in 1964 his famous "white-hot technological revolution" in the guise of a new Ministry of Technology which was set up to guide and stimulate a major technical effort to bring advanced technical and new processes into industry.

It was a fine and indeed revolutionary idea, but it never had a chance. A fine idea because, if Britain is to survive as an importer of

and basic materials, in a world whose population and manufacturing capacity are pressing up to the global limits of primary production, it must do so by making things that the world will want to buy for their inimitable technical qualities. The truth of this elementary fact provides a permanent case for a white-hot technological revolution, which stands unbowed through all the storms of financial crises and delusions about alternative societies that distract us at the present time.

The WHTR never had a chance because the Ministry of Technology never mastered the problem set by its terms of reference. At first it was powerless, a micro-department timidly offering spin-off from governmental research establishments to a largely unresponsive private industry.

How far this fell short of the target can be seen by comparing it, on the basis of Japanese experience, with what would have been necessary. This would have been an agreed plan to concentrate production upon a limited set of manufactures selected for their commercial possibilities on world markets, a hard determination to win those markets at all costs, an allocation as an overriding national priority of all the resources necessary to ensure the winning of those markets, and the wholehearted cooperation of government, industry, banks, management, labour, and the general public in working together to achieve those goals.

Our political and administrative system is quite unsuitable for such a programme. Politicians, political creatures, not commercial ones. They will roar into life when nationalization or industrial democracy are in the air, but fall asleep when standardization of screw threads is the topic. They will revel in the glamour of a super-rocket project but fail to understand that there can be just as much scope for advanced technology—and probably a 10-fold more money to be made—in the design and manufacture of a razor blade, camera or typewriter.

And civil servants, as is quite proper for their traditional functions, are the very antithesis of entrepreneurs. The ludicrous idea which is taking root today, that an industrial firm could be run like a town council—as if earning money were merely the same problem as spending it—stems from the Ministry of Technology's attempts to graft the conventional Whitehall controlling machinery on to the engines of industry.

Governments since 1964 have done well in culling the white elephants of romantic technology, so that we have been spared the further expenses of such might-be-beans as space launchers, large aircraft carriers, and tracked hovercraft; but they have encouraged policies, instead, to trample over industry, so that the prospects of bringing technology to the market place have deteriorated since the Ministry of Technology was created.

In any case, industry has now almost run out of money, so that the level of investment, in new factories and machines, has dropped to only about half what would be needed merely to keep our firms up to the technical level of our principal competitors. Much of the country's research and development is thus fruitless because industry cannot afford to take advantage of the opportunities it throws up.

There are some bright spots, of course. The chemical industry, blissfully free of government entanglements, has discovered the secret of how to generate the commercial success of the union of science and industry. There are also individual brilliances: flow-along, navigational radar, pocket calculators, high-yielding wheat, glass-fibre reinforced concrete, X-ray medical scanners, for example. And above all there is North Sea oil, the fruit of scientific exploration and industrial technology, which will do more good for our economy in the 1980s than a whole army of politicians, civil servants, technologists, economists and political theorists.

The North Sea will give Britain a magnificent opportunity, over the next quarter century, to have second, go at what it has tried so diametrically to achieve during the past one: a true regeneration of British industry, based on commercial policies, investment, technology, understanding, leadership and reliable support. It will be a rare second chance—a 20-year assessment of the crushing balance of payments problem during a period when we might hope to learn from our past mistakes in industrial and technological policy—but it may also be our last chance.

The author is Master of Jesus College, Cambridge, and a former chief scientific adviser to the Government.

Arts

Dramatic flourishes in regions

by Roy Shaw

"The year which ended last March was an anxious one for many of the bodies with which the Arts Council is associated. The cost of producing the arts continues to mount, and several wages awards had to be met by the symphony orchestras and the grand opera and the ballet companies. . . . The losing battle in which some of the repertory theatres are engaged calls for emergency action. It must be emphasized that most of these anxieties are not provoked by a falling off in audiences, but rather by the inexorable increase in the costs of presentation."

Surprisingly these words come not from the current Arts Council report but from the report for the year 1952. Plus ça change. . . . It has changed for better and for worse. In 1952 we had no Minister for the Arts and the Arts Council's grant-in-aid was £575,000. For the current year it is £36m.

In spite of this enormous increase what was said in 1952 must be said more forcibly now. In 1952 we did not have to cope with an inflation rate of 21 per cent, which is our calculation of inflation in the cost of the arts which is greater than the general inflation rate.

The past 25 years have seen a great burgeoning of the arts. The current Arts Council report, for example, lists 21 per cent of the population of the United Kingdom who are involved in the arts, which is a far greater proportion than in any other country.

There have been new regional theatre buildings at Birmingham, Bolton, Sheffield, Derby, Exeter, Farnham, Gloucester, Colchester, Chester, Guildford, Morriston, Lancaster, Leicester, Leeds, London, Manchester, Nottingham, Salisbury, and a few other places. In addition there are now 30 small-scale touring groups, including theatre to

non-theatrical venues in towns and villages throughout the land.

Provision of music and visual arts has similarly expanded and whereas in 1952 expenditure on literature had begun only with a small sum of less than £3,000, in the present year it is £250,000. Jubilee year will see the long dream of National Theatre fully operational and the National Film Theatre is already long established together with regional film theatres throughout the land.

And so it would seem that ours is a much more cultured country than 25 years ago. And yet. . . . Already in 1952, only six years after its foundation, the Arts Council was expressing a fear that "diffusion can reach the stage when it becomes dilution", and said that if an emphasis must be placed on the arts, it should be more realistic to concentrate on "raising" than "spreading".

Twenty-five years later such an attitude would be regarded as unduly elitist, for democratic expectations are greater than ever. In Europe many arts policies reject what is called "the democratization of culture" which means diffusing an essentially elite culture to the people, in favour of cultural democracy, which means cultivating the artistic impulses of ordinary people. Frequently these policies are presented as mutually exclusive, which seems to me a mistake; they are really complementary.

The Arts Council while continuing to support the high arts now also supports community arts in which artists may be musicians, painters or actors work in urban and rural communities developing artistic enterprises with the participation of those whom they serve. It is not without a sense of déjà vu that I turned up the Ministry of Education report for 1952 and read: "The standards of the arts in the schools have been declining since the war. The children in the schools are 16 and upwards only numbered about 130,000. The build-up of the 1950s with education in the training of higher education in the 1960s and 1970s. A university population of about 400,000 has grown to about 500,000 and full-time further education and teacher training has expanded from about 100,000 to about 400,000. A multi-tuition, the polytechnic, has grown up alongside the universities with 113,000 students."

Towards the end of the 25-year period things began to go sour. The birth rate turned down in 1964. The school population will shortly reach a peak, and then go down, and down until the mid-1980s, when there are likely to be 1,500,000 fewer children in the schools than now.

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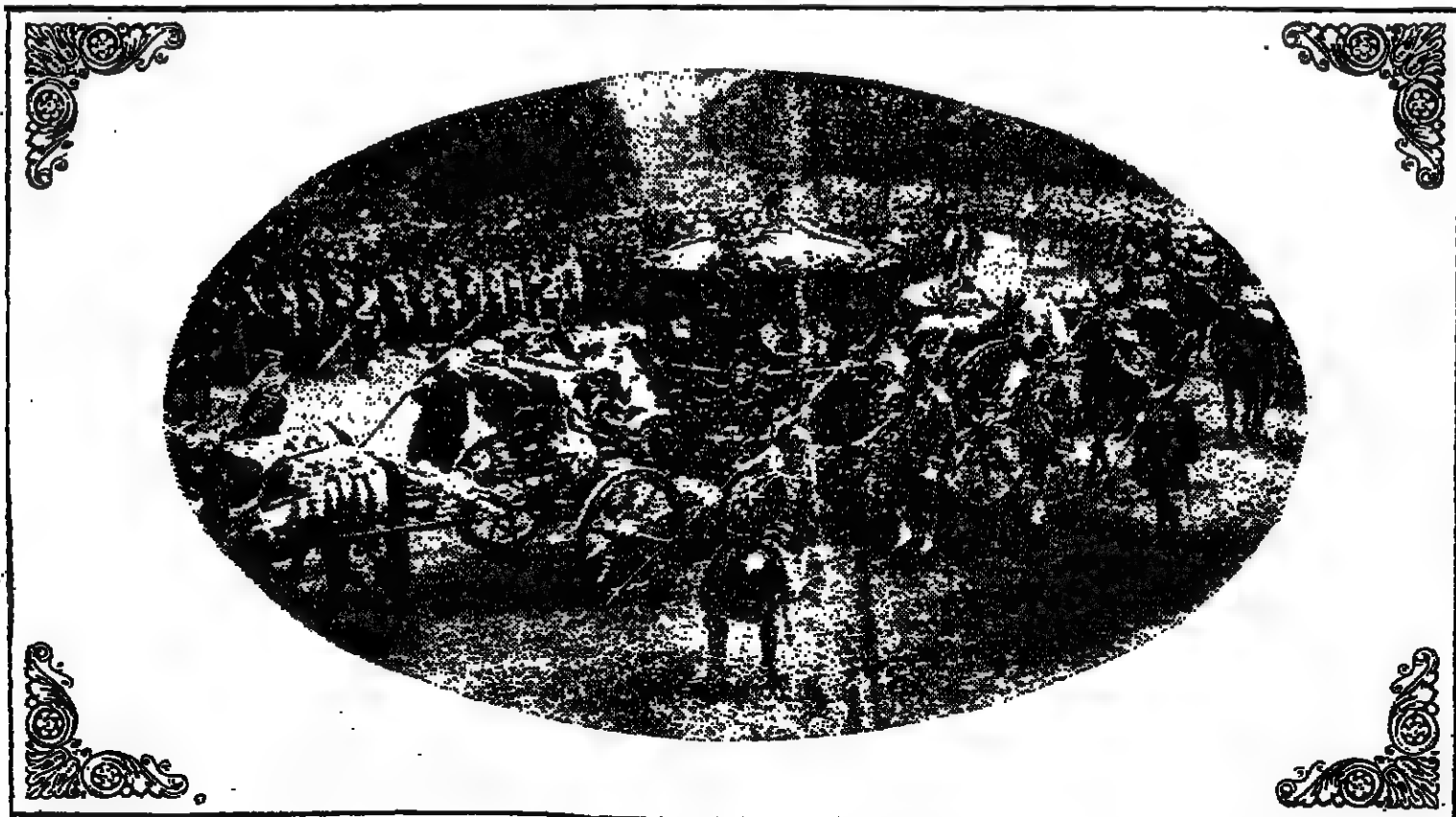
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1902...



The coronation of Edward VII.

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Education
Three Rs: debate continues

by Stuart Maule

Twenty-five years ago, about the time of the coronation of Edward VII, the school population in England and Wales was only six million (compared with more than nine million today). The ladder from nursery school to post-graduate study was only one-tenth of what it is today. There were 222,000 teachers (almost half the number today). The school system had just been transformed. There had been a quarter of a century of such drastic activity at the one which began with the baby boom and ended with the birth dearth.

It is not easy to recapture now the optimism and excitement of the early 1950s. A new Education Act promised a fresh start in primary and secondary education. The old elementary system was dismantled. Fees in secondary schools were swept away. Teachers and educational administrators were committed, amid postwar austerity, to justifying the rhetoric of secondary education for all.

For England and Wales, the 1944 Education Act provided a working agreement between the parties, nationally and locally. There were even hopes of cooperation between the public schools and the maintained system.

Opening up the grammar school to all children on merit, without regard to their parents' income, still seemed a worthy objective. "Merit" was understood, rather naively, in terms of a "fair" school-leaving examination at the end of the primary school. Liberal opinion had yet to undergo the strange sea-change in the late 1950s, which turned the grammar school from being the great liberator into an execrated instrument of middle-class oppression. A good deal, in fact, had not yet taken place. The secondary schools were, as usual, being reorganized. But in 1952, reorganization meant the elimination of the old "fair" schools, from which only "scholarship" children were accepted at 11. By 1955, the education

boom had begun in earnest. Schools were being built by the score. In 1952 the school population in England and Wales was only six million (compared with more than nine million today). The ladder from nursery school to post-graduate study was only one-tenth of what it is today. There were 222,000 teachers (almost half the number today). The school system had just been transformed. There had been a quarter of a century of such drastic activity at the one which began with the baby boom and ended with the birth dearth.

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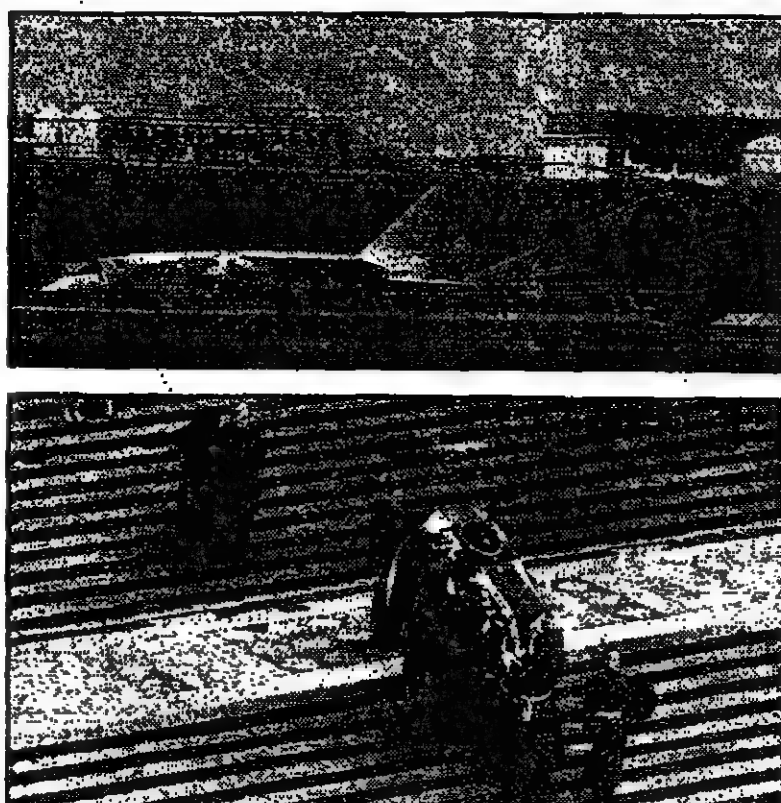
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The author is Editor, The Times Educational Supplement.



MR. MACMILLAN OWES IT TO THE NATION, AS WELL AS TO HIMSELF, TO ORDER ANOTHER PAIR OF TROUSERS AS QUICKLY AS POSSIBLE.

26th Aug. 1963. The Prime Minister is photographed in a new shooting outfit.



The months ahead

Many of the events in this calendar will be associated with the Queen's Silver Jubilee Appeal, to be launched by the Prince of Wales in a radio and television broadcast on April 24. The object of the appeal will be to encourage young people to serve the community, both in Britain and the Commonwealth.

The information given, which is the latest available at the time of going to press, has been compiled with the help of the appeal organizers (The Queen's Silver Jubilee Trust, 8 Buckingham Street, London WC2), and of the privately financed

London Celebrations Committee for the Queen's Silver Jubilee (4 Carlton Gardens, London SW1). In addition to the events listed there will be many hundreds of local events throughout Britain.

In counties, lords-tenant will lead local appeals in support of the national effort. Additional appeal offices have been established in Scotland (care of The Royal Bank of Scotland, 14 George Street, Edinburgh), Wales (Mount Stuart House, Mount Stuart Square, Cardiff), and Northern Ireland (79 Antrim Road, Lisburn, co Antrim).

JANUARY
29 Rugby league, England v Wales. Headingley, Leeds.
FEBRUARY
5 Amateur rugby league—Lancs v Yorks. Oldham.
11-17 The Queen and Duke of Edinburgh in the Pacific Islands (Feb. 11, Western Samoa; 14, Tonga; 16-17 Fiji).
20 Amateur rugby league—Cumbria v Lancs. Whitehaven.
22-23 The Queen and Duke of Edinburgh in New Zealand.
26-27 International Canoe Exhibition. Crystal Palace.

MARCH
1 Rostropovich's birthday concert. Festival Hall.
1-2 Amateur rugby league—Yorks v Cumbria. Craven Park, Leeds.
1-23 The Queen and Duke of Edinburgh in Australia.
12 Football League Cup final. Wembley.
12 World challenge match for rockers. Queens Club, London.
12 Lacrosse (women's) England v Reserves. Burlington Park, London.
19 Hockey (women's)—England v Wales. Headingley.
19-20 London Diving Exhibition. Pickett's Lock, Edmonton.
23-24 The Queen and Duke of Edinburgh in Papua New Guinea.
26-27 and April 3, 1970 British Ten-Pin Bowling Association national championships. Wessex Bowl, Poole.

APRIL
10 Rugby league—English schools v French schools, under 16. Barrow-in-Furness.
2 Gala performance by Minnie Beja's Ballet. Coliseum.
5 Schools International boxing—England v Wales. Gwersyllt.
6 LSO jubilee concert. Festival Hall.
6-24 Film premiere: *Long to Reign Over Us*. ABC Cinema.
1 National Youth Orchestra, Boulder programme. Festival Hall.
2 Gala performance. Dalington Civic Theatre.
3 Musical arts festival. Crystal Palace, London.
3 Handel Opera Society concert "Handel and the Chapel Royal". Queen Elizabeth Hall.
4 Prince Charles's radio and television broadcast.
4 Schools Music Association concert. Albert Hall.
4 Physically handicapped wheelchair dancing. Trestham Gardens, Stoke-on-Trent.
6 Rugby union—Middlesex seven-a-side competition. Twickenham.
1-5 May 14 International clan gathering (1st week Edinburgh, 2nd week throughout Scotland).

MAY
14 New towns jubilee games. Birmingham.
14-15 John gale performance. Palladium.
14 House-to-house collection. British Legion and Earl Haig Fund. Scotland.
14-15 Eastern Chieftains basketball match. Wembley.
14-15 Flag Day. British Legion and Earl Haig Fund.
14 Inaugural flag-raising—London Celebrations Committee's river programme. HMS Belfast, Tower Bridge.
14 Football match, English (select) v Scotland (select). Glasgow.
14-15 The Queen and Duke of Edinburgh in Scotland (May 14, thanksgiving, Glasgow Cathedral; 15, Edinburgh; 16, Dundee; 17, Aberdeen; 18, Edinburgh).
14-15 East Anglian Offshore Racing Association passage race. Garrison Point to St Katharine's.
14 National Pageant of Scottish Youth. Meadowbank Stadium, Edinburgh.
14 Dedication of new silver processional cross, Southwark Cathedral.
14 Big Top—royal gala performance. Home Park, Windsor.
14 Youth festival. Weston Favell, Northants.
14 Service of thanksgiving. St George's Chapel, Windsor.
14 June 11 Milk Marketing Board cycling milk race.
14 Gala performance (opera and ballet). Royal Opera House, Covent Garden.

JUNE
14-15 L.E.A. concert. London Schools Symphony Orchestra (including new work). Festival Hall.
14-15 London Business Houses rowing regatta. Chelsea to Lambeth.
14 Evening Standard pub of the river competition. The Thames (Greenwich to Teddington).
14 Royal church music: choirs of Westminster Abbey, Chapel Royal and St George's Chapel, Windsor. Westminster Abbey.
14 Royal Marines athletics championships. Victory Stadium, Portsmouth.
14 Royal Escape yacht race. Brighton.
14 London Sinfonietta, including new work by Sir William Walton. Queen Elizabeth Hall, Pridmore Festival Theatre, opening performance. Pridmore.
14 Pop festival (all British pop stars). Earls Court.
14 BBC light music festival. Festival Hall.
14 Thames sailing barge and oyster smack race. Gravesend to Tower Bridge.
14 Night of 100 Stars—gala performance. Olivier auditorium, National Theatre.
14 Youth and music concert, young British soloists introduced by their teachers. Royal Opera House.
14 Jubilee Sunday in churches.
14 Cruising Association (St Katharine's Dock) jubilee week. London.
14 Veterans cyclist 1,000-mile sponsored ride. London to Bournemouth and back.
14 Spring bank holiday.
14 Chain of bonfires lit, first by the Queen. Windsor.
14 Safari Park open day. Windsor.
14 Grand Silver Jubilee concert (Yehudi Menuhin). Albert Hall.
14 Street happenings—visits by popular stars to London boroughs. Royal Thames Yacht Club Silver Jubilee race. Nationwide.
14 Silver Jubilee bank holiday: thanksgiving service, St Paul's; the Queen hitches a Gull and broadcast.

7 The Best of British, world premiere of new musical. Theatre Royal, Norwich.
7 Junior horse jumping competition. Heathfield, Sussex.
7 Jubilee regatta and spectacular. Hammersmith.
7 Grand Silver Jubilee concert (military spectacular). Albert Hall.
7, 8, 10, 14 New production by English Music Theatre, Purcell's *The Fairy Queen*, Sadler's Wells.
8-10 Accent on Youth weekend. Stratfield Saye, Hampshire.
8-10 Grand Silver Jubilee concert, Orchestra de Paris. Albert Hall.
8-10 Royal progress and river pageant; fireworks displays. The Thames.
9 Jubilee gala classical concert. Albert Hall.
9 Central European folk festival. Albert Hall.
11 The Queen's birthday parade; RAF fly-past. Horseguards.
11 St Katharine's Yacht Club race. St Katharine's to Gravesend.
11 Grand Silver Jubilee concert (muted brass bands—commissioned work). Albert Hall.
11 Enterprise Youth national event. Charlotte Square, Edinburgh.
11 Pop festival. Wembley.
11 National Tug-of-War Committee competition. Cannon Hill Park, Birmingham.
11 Garter Service. Windsor.
11 National Sporting Club dinner. Café Royal, London.
11-12 Jubilee Test matches, England v Australia. Lord's.
11-12 Barge driving match. The Thames, from Lower Pool through bridges.
20 The Queen and Duke of Edinburgh in Lancashire and Merseyside.
20 Monday of Midsummer. Orkney.
20-21 July 2 Centenary lawn tennis championships. Wimbledon.
21 The Queen and Duke of Edinburgh in Greater Manchester.
22-24 The Queen and Duke of Edinburgh in Wales (June 22, Gwynedd; 23, West Wales and Swansea; 24, South Wales and Cardiff).
25 Elizabeth Schwarzkopf recital—Festival Hall.
26 Apollo Society, Garland for the Queen with poetry. Wigmore Hall.
28 Trivial Pursuit. Spidehead.
30 First Royal London Tour. South of the river.
30-31 July 3 Royal Regatta. Henley.

JULY
1 John Player centenary festival, LSO, new Stoppard/Parkin works. Festival Hall.
1 John Player centenary festival, National Youth Jazz Orchestra. Queen Elizabeth Hall.
2, 3 Power Boat grand prix. Between Albert and Vauxhall bridges.
4 John Player Centenary Festival Music Theatre. Birwistle/Kustow. Cottesloe auditorium, National Theatre.
4-5 London Looks Forward conference. Queen Elizabeth Hall.
4-16 Silver Jubilee pageant. Shalford Park, Guildford.
5 Jubilee gala concert. Brighton Festival.
5 Second royal London tour. North of the river.
5 LPO special jubilee concert. Festival Hall.
7 Army Review. West Germany.
8 English schools athletics championships. Copthall Stadium, Barnet.
8-10 County youth weekend. Stratfield Saye, Hants.
9 Under-19 first Test match England v Australia. Arundel, Sussex.
9 Jubilee midway race. Putney-Lower Bridge-Putney.
9 National festival of music for youth. Festival Hall, Queen Elizabeth Hall, Purcell Room.
11 The Queen and Duke of Edinburgh in Suffolk and Norfolk.
11 Under-19 second Test match, England v Australia. Lord's.
12-14 Jubilee "eights" race. London Bridge to Westminster.
12-14 The Queen and Duke of Edinburgh in Humberside and Yorkshire.
14-15 The Queen and Duke of Edinburgh in North-east.
14 ILEA physical/athletic education event. Crystal Palace.
16 Schools athletics—England, Scotland, Wales, Ireland. Yeovil.
16-17 Youth regatta—rowing, canoeing, sailing, motor boat events. Westminster Boating Base, Putney.
18 (3 weeks) Young people's theatre festival. Royal Court Theatre.
19, 21, 26 Garden parties at Buckingham Palace.
20 Sept 14 (provisional) Popular music and dance festival, Rev's Wharf, SE1.
24 Wills international polo. Smith's Lawn, Windsor.
24-27 Cycle race. London-Farros.
27 The Queen and Duke of Edinburgh in West Midlands.
27-31 Festival of cycling (professional and amateur). Iarnogate.
28 The Queen and Duke of Edinburgh in Derbyshire and Nottinghamshire.
29 RAF review. Farnborough.

AUGUST
5-8 The Queen and Duke of Edinburgh in West Country (August 5, Devon; 6, Cornwall; 8, Avon).
6-7 London jubilee youth games finals. Crystal Palace.
10-11 The Queen and Duke of Edinburgh in Northern Ireland.
13 Football charity shield match, cup v league winners. Wembley.
13 Racing. Wolverhampton.
18 Cricket, Australia v Rest of World. Arundel, Sussex.
20 Yacht race. Gravesend to St Katharine's.
20 International festival of youth orchestras. Kenwood Lakeside, Holland Park, Crystal Palace, Westminster Central Hall, Summer Theatre, Putney.
20-21 Jubilee clipper week regatta. Greenwich.
21 International festival of youth orchestras. Albert Hall, Sadler's Wells.
22-26 St Katharine's Yacht Club and Cruising Association jubilee festival. St Katharine's Yacht Haven.
26 Standing conference of motor yacht clubs and association rally. King's Reach, London to Ramsgate.
27 Association of Thames Yacht Clubs rally. Kingston upon Thames.
28 Junior individual bowls competition. Lancashire.

Events marked by an asterisk form part of the Queen's official programme.

by Field Marshal Sir Michael Carver

The differences between the British Armed Forces when the Queen came to the throne and those of today are extreme; but the differences between their commitments now and then is extreme also.

Not many years had passed since the struggle in Palestine had been abandoned. In Malaysia the campaign against the communists was entering its fifth year and was at its height. Forty thousand soldiers were deployed there, of whom 25,000 came from the United Kingdom. The war in Korea was also at a crucial stage. Britain's contribution of combat units consisted of an armoured regiment and five infantry battalions.

The quarrel with Iran over the Abadan oilfield had led to the deployment of the Parachute Brigade in Cyprus, while the increasing agitation and terrorist action against the great Suez Canal Zone base had led to the dispatch there of 3 Division just as it was being built up all the strategic reserves. Hard on the heels of this were to come the Mau Mau insurrection in Kenya, and the troubles in Cyprus.

Over and above these commitments arising out of our imperial heritage, the military side of the North Atlantic Treaty was just beginning to take shape.

Our contribution to Nato's divisions consisted of converting our occupation forces in Germany into four operational divisions, out of the 10 which the Allies Government planned as part of the rearmament programme. In the Royal Navy, 42,000 in the Army and 270,000 in the RAF. Of the 314,700 National Servicemen in these totals, only 4,400 were in the Royal Navy; 86,000 were in the Royal Air Force and all the rest were in the Army. Even then the latter was 83,000 short of its planned strength.

In all three services it had been found necessary to recruit reserves. On returning to power in October 1951, Winston Churchill had insisted on resuscitating the Home Guard "to act as a deterrent against the danger of paratroop descents on a considerable scale".

In the financial year 1952-53 all this was expected to cost £1,462m, the Army taking nearly 36 per cent, the Royal Air Force 32 per cent and the Royal Navy 24 per cent, the rest going to the Ministries of Supply and of Defence. All this was part of an ambitious three-year £4,700m rearmament programme introduced by the Labour Government in 1951 in response both to the Korean war and to the formation of Nato.

With all the advantages of hindsight one cannot help feeling that we over-reacted and assumed a burden of commitments at that time which it was quite beyond our power to bear. One must remember, however, the fright that Russia had given to us all. First there was the subjugation of Czechoslovakia; then the Berlin crisis and Korea was assumed to be the next thrust.

All that we had fought for so recently seemed to be at risk again. Nobody but ourselves was in a position to stand up with the United States to face what seemed a menace to the whole western world. Possession of the atom bomb (as it was then called) did not seem to carry the weight it should have done in dealing with the Russians. Whether or not we did over-react, the economic consequences left an indelible impression in many Treasury minds.

Just as they saw us struggling out of the economic morass that the Second World War had landed us

in, they found themselves thrust back into it by this ambitious programme, imposed on a growing imperial commitment in spite of our abandonment of both Palestine and India. Although aversion to defence expenditure has been a natural Treasury symptom ever since the Treasury has existed, there is no doubt that the Korean rearmament was strongly reinforced by and has left a lasting impact.

The forces that we have today are of course much smaller. The Royal Navy's available hulls, again excluding mine counter-measure vessels, have been reduced from 166 to 112, the large ships suffering most and the vast reserve fleet almost totally abolished. The Army's 442,000 men and women have been reduced to 164,600, the Guards from an official 10,000 (but actually about 15,000) to 6,000 and the front-line combat units of the Royal Armoured Corps, Royal Artillery and infantry from 190 to 100. The Royal Air Force has been reduced to a third of its strength.

But, looking at the broad picture, are things better or worse for defence and the Armed Forces than they were then? There can be little doubt that the state both of our defence generally and of our Armed Forces, despite known, and in some cases very important, deficiencies, is considerably better. For one thing Nato, after a quarter of a century of success, is much stronger, firmer,

more cohesive and better-balanced than it was then, and this in spite of the immense improvement in the quality, and in some cases the size of the Russian and Warsaw Pact Armed Forces. On the other side of the scales we have a strong and robust West Germany, a much better balance between the United States and the European members of Nato, which are now more self-confident, more capable of supporting their own defence effort and consequently less totally dependent on the United States.

Outside Nato, as a result partly of the constant pressure of the "wind of change" and partly as a result of deliberate steps by successive governments of both political persuasions to reduce our ex-imperial commitments, a better and more realistic balance has been achieved between our commitments and what we have the strength and the means to support, despite the added burden of Northern Ireland. The provision of modern equipment (old as much of it still is), combined with a more sensible and sympathetic attitude both to terms and conditions of service and to discipline, has produced a much healthier feeling in the ranks of all three services than existed in the time of National Service.

Its abolition perhaps provided the first impulse. If men and women were to be persuaded to join and to

say, they had to be content, even if they would not be prepared to admit to being happy in the Service. The satisfied soldier was the best recruit. There has been a quiet revolution in this respect within the ranks, particularly over the past 10 years.

It is, however, a sensitive plant which needs constant attention. It is particularly liable to blight induced by cuts and redundancy. When considering pruning, one should take the advice of Brigadier Lucas-Phillips in his classic *The Small Garden*. Referring to fruit trees he said: "When in doubt, don't" and "on no account ever allow the hired hand to commit the crime of the 'annual haircut' which is all too common."

This must remind us that the ability to recruit and retain sailors, soldiers and airmen of all ranks is our Achilles heel. It is not so many years ago since the Chiefs of Staff were seriously concerned whether or not, even after the Healey reductions of 1957-58, we should be able to maintain a sufficient manpower to meet our needs, and some of them went so far as to start talking about the possible need to reintroduce National Service.

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Armed Forces

Slimmed down but still fighting fit

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some link with the level of unemployment and its effects on the young, has silenced such fears. But if and when the economy improves, we may well be reminded that finance is not the only limiting factor on the size of the forces we can maintain.

And what should that be? Our commitments outside Nato are now reduced to minute proportions and some of them, notably a large part of the Northern Ireland commitment, are met from within our Nato forces. It is our contribution to the alliance which determines the size and shape of our Armed Forces. Much of this is a legacy of the past, but no less valid for that, as the Brussels Treaty is there to remind us.

It is determined partly by history, partly by geography, partly by what the Warsaw Pact has the capability to deploy in Europe and in the Atlantic, and partly by what our allies expect of us and we of ourselves. In the ultimate it is determined by what kind of part we think we ought to play in the world and particularly in Europe: how strongly we want our voice to be heard when the security and peace of Europe is being decided. We have suffered in the past when that voice has been weak and decisions have been taken on the Continent in which we have played little or no part.

The author is a former Chief of the Defence Staff.

A sign for the times

Royal Silver Jubilee celebration 66

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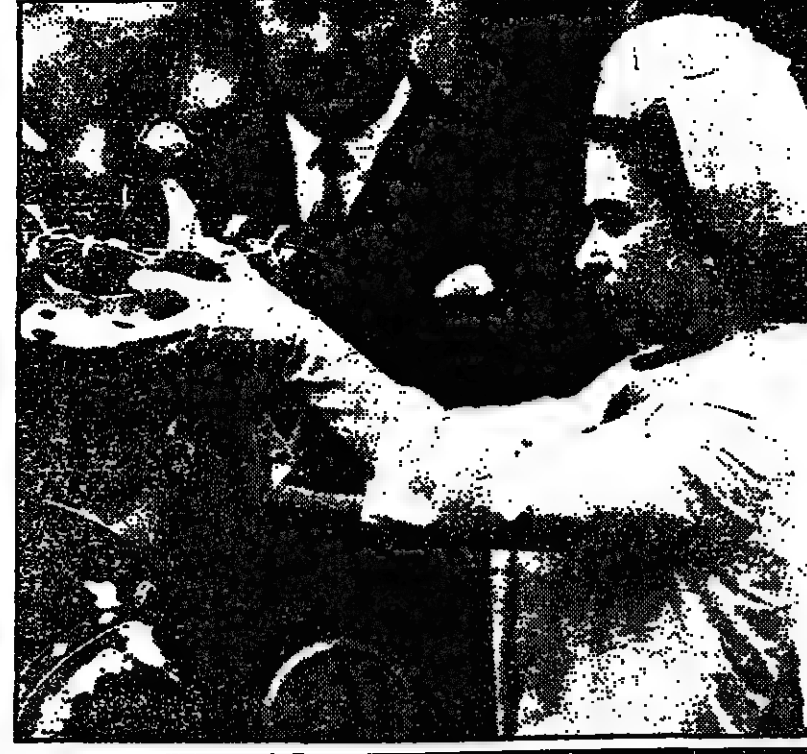
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Economy Survival options

by Peter Jay

In her first 25 years on the throne the Queen has been served by 11 Chancellors of the Exchequer, from Mr R. A. (now Lord) Butler to Mr Denis Healey. The longest-serving was the first (four years), the second (four years), the third (three years), the fourth (three years), the fifth (three years), the sixth (three years), the seventh (three years), the eighth (three years), the ninth (three years), the tenth (three years), the eleventh (three years).

During this period (or the first two decades of it) Britain achieved its fastest growth in the level of national output, surpassing even the most vigorous decades of the nineteenth century. At the same time the long decline in Britain's relative position as a supplier of manufactured goods to the world, which has been going on since at least the 1870s, quickened dramatically. By the mid-1970s British living standards were closer to those of the semi-developed nations of southern Europe than to those of the advanced industrial nations of northern Europe and North America.

In the past few years it has become apparent that this relative decline has not been the only or even the most serious failure of the second Elizabethan age so far. Not merely have we discovered that we cannot improve our prosperity as fast as most other comparable nations, but much more disturbingly we have found that we cannot even maintain that pace of moderate advance. We have also found that we can no longer sustain what we used to take for granted as the minimum objectives of economic policy, namely a high level of employment jointly with a tolerable rate of inflation. In other words, what used

to be a problem of how fast things would improve (remember Mr Butler's rather modest pledge to double living standards in 25 years) has become a problem of survival—it not of survival of the nation and life within it, at least of survival of the system of political economy which was established during and after the war as the enlightened answer to the harrowing experience of the 1930s. Intellectually, if not yet materially, we have gone backwards in the sense that we have discovered that the solutions we thought we had found are not solutions at all.

The history can be briefly stated, although others will interpret it differently. By the end of the war the new Keynesians thought that they knew the cause of unemployment, deficient demand. The remedy, then, was to ensure that there was always a sufficient flow of spending in the economy to absorb the full potential output of the economy.

This could be done by unbalancing the Government's own budget just sufficiently to counter-balance any unbalance in the private sector's savings and investment intentions. But from the beginning, in the 1944 Employment Policy White Paper, which signalled the official conversion to the Keynesian approach of the Conservative and Labour parties in Churchill's Coalition Government and of the Treasury a vital proviso was spelled out.

It said: "If we are to operate with success a policy for maintaining a high and stable level of employment, it will be essential that employers and workers should exercise moderation in wage matters so that increased ex-

penditure provided at the onset of a depression may go to increase the volume of employment."

In 1952, at the onset of a mild recession, Mr Butler clearly regarded that proviso as largely formal and was able to increase expenditure in 1953 and 1954 secure in the knowledge that the main effect would be to increase the volume of employment. He was able to do this to the extent of bringing the unemployment percentage down to its record post-war low point of 0.9 per cent (193,600); and it was not until several years after the effect would be to increase the volume of employment. He was able to do this to the extent of bringing the unemployment percentage down to its record post-war low point of 0.9 per cent (193,600); and it was not until several years after the effect would be to increase the volume of employment.

By quite modest retrenchment and an exceptionally light-handed appeal for voluntary pay restraint he was able to reduce inflation to nil for the only full 12 months in the last quarter-century.

By contrast, Mr Healey, at the onset of the sharpest recession, perhaps even a depression, in the postwar calendar, has felt unable to increase expenditure at all, except to the extent that it comes along spontaneously from a putative recovery in world trade.

As a result, we have levels of unemployment which begin, statistically if not in reality, to be reminiscent of the pre-Keynesian age, despite an apparatus of pay restraint which exceeds all its many predecessors in the severity of its targets and the strictness of its enforcement.

The proviso has thus become the only really left of the 1944 full employment prospectus. The history of the intervening years has been the history of the decline and fall of money illu-

sion, which is another way of saying of the decline and fall of inflation as an effective instrument of policy. People have woken up to it.

Mr Butler could stimulate the economy without it being generally supposed that this would lead rapidly to accelerating inflation and without trade unions using their latent bargaining power to push up pay rates the moment that the market would bear higher levels.

As a result there could then be quite a prolonged favourable effect on output and employment before the inflationary effects of the original stimulus began to work through into prices and push the economy back towards its higher natural unemployment level.

But people learn. After six turns on the inflation roundabout the penny, to say nothing of the pound, has dropped. The stimuli have had to be bigger and bigger to beat the inflationary expectations of those who set pay and price levels, culminating in Mr Barber's doubling of the money supply in three and a half years only to achieve the highest unemployment in any post-war boom.

At the same time the rate of inflation has accelerated from cycle to cycle, gradually at first during the period before 1967 when a fixed exchange rate diverted inflationary pressures into balance of payments deficits, then more and more rapidly after 1969 when the great explosion which began in that year finally ripped money illusion to shreds.

This has occurred despite more and more determined efforts to restrain pay settlements by periodic incomes policy episodes.

These however have been found only to dem the flood temporarily. Before long it

breaks through to reassert its own natural level, as soon as the internal rigidities and anomalies of such policies become intolerable — usually after about two years.

The question for the second quarter-century of the Queen's reign will be whether we can escape from the difficulty that any sustainable level employment (above a level so low that the bargaining power of trade unions would be neutralized) involves an accelerating rate of inflation.

Moreover, the acceleration is of a nature which, as the institutional investment committees which have brought real pressure for change on a number of companies recently — and often with results.

Hence, too, Finance for Industry, a Bank of England/investment institution response to the corporate liquidity crisis at the end of 1974, and later, the Equity Bank (Equity Investments) which looks like a private sector competitor of the National Enterprise Board.

In the same way that the City does not see nationalization of the major financial institutions as the answer to the problem of industrial investment, it also tends to reject ideas of statutory regulation of the financial system. And in the same way that the Government, despite the wishes of the left wing of the Labour Party, apparently sees state control banks and insurance companies as an electoral liability, it seems, at this stage anyway, that Whitehall is prepared to encourage self-regulation in the City.

The secondary banking crisis could have torn away the foundations of the financial system. It did not, but at the same time it would be stupid to pretend that the events of the past five years have not fundamentally altered the course of the City in the future.

The questions raised by Britain's economic decline and by "City scandals" (some of which to be fair, have little to do with the City as such) are whether the financial system is capable of keeping its own house in order, and whether the structure is the right one if British industry is to be preserved.

The author is Economics Editor, The Times.

The City On a new course

by Andrew Goodrick-Clarke

During the past five years the City has become a favourite political football. That might have seemed inconceivable in 1952. Or would it? hindsight suggests that there was already a dangerous air of complacency as the postwar controls came off and the financial community prepared to settle down to a way of life much the same as that which had existed before the war.

A great international centre of finance, the City naturally attracted good brains and with that advantage demonstrated that it was still capable of great ingenuity and innovation. But it was too consumed with its own affairs.

Nor did it find it necessary to explain itself. There lay the trap which was to spring with such significant effect a few years ago.

Not that the City's problems are entirely of its own making. The financial centre of a country with a weak economy and, more recently, a seriously weak currency, is bound to suffer. The City has not been an exception, though its inherent strengths have enabled it to ride the storms of the past few years with some equanimity.

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The author is Economics Editor, The Times.

Industry Changing attitudes

by Michael Edwardes

I suspect that few of us will be sorry to see 1976 go. But was it all entirely wasted? Certainly we as a nation failed to take positive action to solve the hard core of our troubles.

Our talent and financial resources still remain in the unimaginative straitjacket of government policy and even our international competitors are expressing sympathy mixed with a fair measure of astonishment at our inability to arrive at seemingly obvious conclusions.

But, in what was a year of hard reappraisal, we made real progress in changing basic attitudes at many levels — including the Government, the Opposition and the Civil Service.

In industry there is at last more understanding by the two sides about some of the vital issues than has been evident in the past 20 years. Industrialists can take no small comfort in the fact that there is a clearer understanding of the need for profit. Although the climate has not yet been created in which will secure much needed substantial improvements in profitability, at least there is much more widespread awareness of the interdependence of profit, growth, investment and employment.

One cannot emphasize too strongly the damage done to Britain's wealth-creating industry by starvation of profits. Over the past 15 years the real rate of return of industrial and commercial companies has dropped from 13 per cent to 4 per cent, less than one could earn from most other investments.

We have had our year of reflection, of reappraisal. The optimism among us to look to constructive action this year, to ensure that we are better placed to face the economic difficulties which will certainly be with us for some time to come.

We have a powerful industrial asset base. We have valuable natural energy resources. We have a 300-year stock of coal. And most important, we have talented people. But we know that we will not redeem ourselves in our own eyes or in the eyes of the world without positive leadership at national level, at corporate level, and on the shopfloor.

Our leaders have a head start, because the man in the street has a clearer perspective about the need for wealth creation than ever before. It is not beyond the bounds of possibility that 1977 will be the watershed which sees the reversal of Britain's fortunes on the workface: when changed attitudes towards productivity — and that means doing something about Britain's complex union structure and a tradition of restrictive practices — that frustrates attempts to improve productivity — will bring about the dramatic improvement we need.

Let us believe that the will is there — the average person is tired of failure, and leaders of government, industry and unions are expected to provide an example. The climate in which the nation's energies can be released. Having dropped from a 20 per cent share of world manufacturing exports to some 10 per cent in 20 years, have we any choice left but to do what our successful competitors have done: provide incentives?

Last year gave us a bridge between the past 20 years, and what could be a great future. There is greater recognition that policies which arise out of envy are as unhelpful as the effects of reactionary management — both have the effect of reducing the aspirations and standards of living of the nation as a whole. The country needs specific action to release its potential. Britain can and will deliver the goods if we let it.

The author is chairman and chief executive, Chloride Group.

The present incidence of what would better be described as industrial inaction was restricted to a few industries. Usually strikes are not supported by union leaders or by workers.

The inability of the silent majority to restrain the activities of a handful of wreckers does not alter the fact that the climate for working together has improved demonstrably.

Few will deny that attitudes of management and shopfloor have become more realistic and that more and more workers are being involved constructively in stra-

Progress made towards agreement

These are issues to which there are no quick answers. However, there is evidence that some real progress is now being made towards agreement on how the future should be tackled. Given that as late as the mid-1960s the City had little idea of the sort of pressures which lay around the corner, this in itself may seem a reasonable achievement.

But if it is realistic to think we are now in the watershed, it is still too early to say what the outcome will be. It is only that the debate now going on between Whitehall, the City and industry appears to have some purpose. Ironically, the rumpus caused by the Labour proposals to nationalize major banks and insurance companies has clearly identified many of the issues.

The Government's response in the form of Sir Harold Wilson's committee to investigate "the functioning of financial institutions" will, it is hoped, come up with positive ideas not only on how the financial sector can best maintain its international role which produces a major contribution to the balance of payments but also how it can best service domestic industry.

On one hand, the Labour left sees such proposals as "the long-term answer to unemployment and lack of growth in this country" in that funds could be directed by the state into industrial investment.

That view has strong political overtones. But those apart, the City tends to reject accusations that it has let industry down on the basis that blame can be more truly laid at the door of political inaction on industrial planning and the inability of industry to generate sufficient profits.

This sort of argument, however, leaves aside the point about whether the City should or could have done anything to improve industrial efficiency and whether the funds that the private sector provided went into the most needy hands. The institutional case for

Joint review body to be set up

As such there is to be a joint review body set up by the Department of Trade and the Bank of England "to keep the working of the present system under review and bring to light any gaps in the statutory and non-statutory areas". Moreover, the Bank of England is to develop its surveillance of the securities industry with the idea of improving the effectiveness of the existing self-regulatory machinery.

With similar thinking on regulation going on throughout the financial service industry, it may be that the City is heading towards a city commission such as that suggested recently by Lord Shawcross, chairman of the Takeover Panel. Welcoming the Wilson Committee's inquiry, Lord Shawcross suggested that such a commission might have separate divisions to deal with different aspects of the financial system, but he wanted it to be a voluntary and self-regulatory body capable of dealing with any unethical conduct in the course of transactions affecting the business of the City.

Whether this "voluntary" model of a US Securities and Exchange Commission turns out to be the British answer remains to be seen, though clearly much is going to depend on Sir Harold Wilson, the man who almost a decade ago set the City on its heels with his accusation of unwarranted speculation.

The author is Financial Editor, The Times.

Managers bear brunt of taxation

The problem is not British industry, it is industry in Britain. British firms are very successful overseas. Our capital stock outside Britain, valued at in the region of \$24,000m is second only to the United States. France with \$9,500m and Germany with \$7,300m are third and fourth respectively.

Opinion has also shifted somewhat on the question of incentives although we are still waiting for firm action by the Government. Managers have borne the brunt of what can be described only as penal rates of taxation. A reduction of top rates of personal taxation from 83 per cent to, say, 60 per cent could be achieved with little extra cost; the reward would be a tremendous boost to the morale of those people who have to take investment risks and drive projects through.

It is not just managers who would benefit from the re-establishment of incentives in British industry. Who has the will to work overtime when much of the reward disappears in tax?

Perhaps the new attitude to personal tax will also be applied one day to savings. No one as yet seems prepared to do something about the 98 per cent tax rate on investment income, often described as a tax on unearned income. Those who started life with no wealth and have striven to achieve savings through hard work, and commitment find this a curious indictment of their efforts.

More than anything else 1976 was a year of great heart searching. The country, accustomed to being assisted by news of strikes, was surprised to learn that over the three years 1971-1973 an average of 98 per cent of manufacturing plants were free from industrial action.

The present incidence of what would better be described as industrial inaction was restricted to a few industries. Usually strikes are not supported by union leaders or by workers.

The inability of the silent majority to restrain the activities of a handful of wreckers does not alter the fact that the climate for working together has improved demonstrably.

Few will deny that attitudes of management and shopfloor have become more realistic and that more and more workers are being involved constructively in stra-

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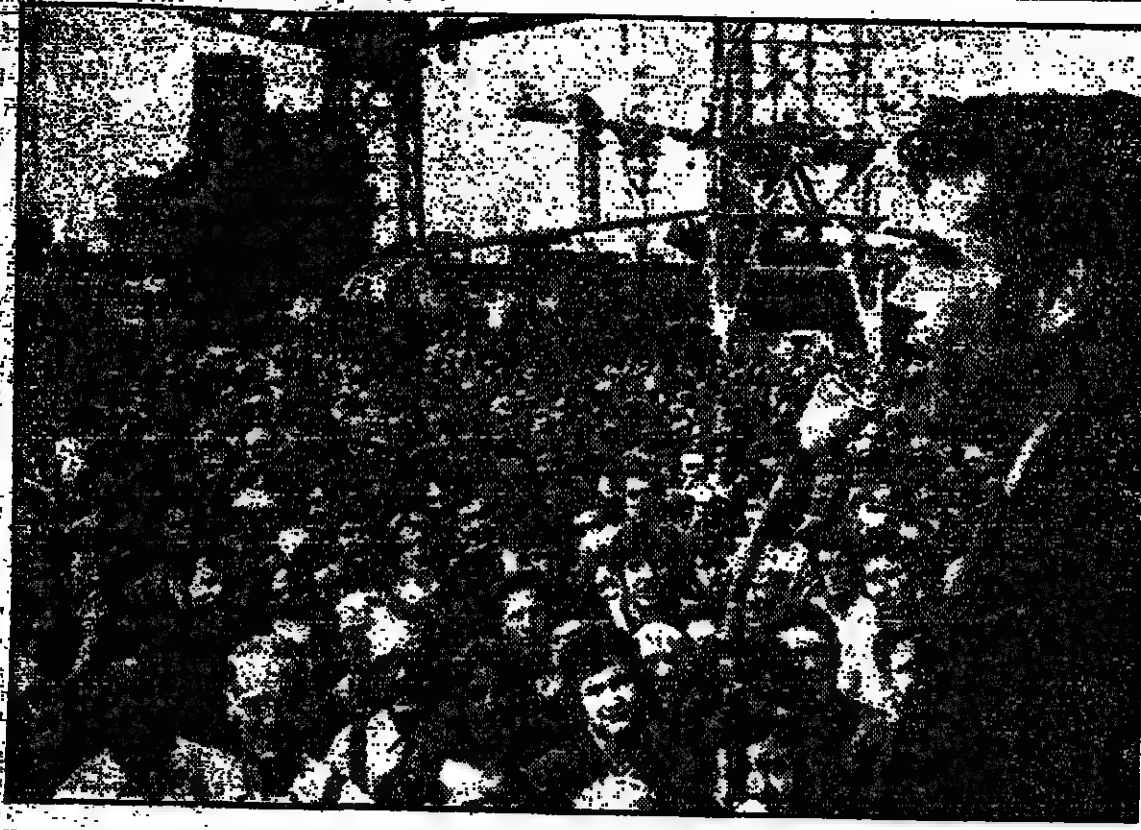
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Sport

Not playing the game

by John Hennessy

Once upon a time, or about 25 years ago, sport took the form of a number of relatively harmless pursuits, some totally amateur in concept, some amateur in name but corrupted to a small extent, and the rest professional to an honourable degree. Looking at the present scene, I find it hard sometimes not to feel an overwhelming sense of disgust.

For the most part the dishonesty of shambles has been removed, except principally in athletics, but in its place we have rampant commercialisation. One has driven the sporting ethos into the wilderness. To ask a footballer a question these days is to invite the retort: "How much?" You run the risk of being dismissed from the presence in mid-interview on the ring of a telephone and the offer of a higher fee.

The agents, the parasites, the hucksters and the pushers are taking over and after 22 years in the Sports Editor's chair I cherish the thought, in moments of despair, that in the not too distant future I shall be released from a mercenary world to which I no longer belong by temperament.

Football, cricket, tennis and the rest have now become what is euphemistically

called entertainment, by which we are led to believe that ethical principles need no longer apply.

We live in a world where a man such as Bjorn Borg can earn £35,000 (rather more now because of frenzy on the radio) merely for wearing a headband bearing the legend of a Swedish brewery; where a tennis player such as Christine Evert can bank even more from a dress contract; where a beautiful game like cricket is reduced to an unseemly squabble between Lord's and a leading English player (John Snow) on the merits or otherwise of converting himself into a walking billboard; where tracksuited English footballers seem to be representing a team called Arsenal, not England.

It is an era in which the likes of Nostalgia and Bowles are lionised and given a turnstile value in inverse proportion to their standards of conduct. An era when sport, and sportsmen, are used to induce us to smoke or drink ourselves into an early sickness, if not an early grave.

An era in which bookmakers achieve a double purpose through sponsorship—advertising their dubious wares and gaining a voice in administration—and, more sinisterly, have begun to take over the racecourses, so that the merits of a race monopoly as an answer to the ills of the turf become increasingly academic. An era in which

to play for the honour of one's country comes a poor second to playing for the gratification of one's bank manager.

Already it seems to be enough in sporting competition for any company (and the fact that it usually markets cigarettes makes it no easier to bear) to put up bigger prize money than previously for it to be treated as a tournament of greater merit. Instant tradition they seem to want, but so far Wimbledon has stood out, and so has the Open golf championship. These bastions of grandeur and commonsense have one formidable bargaining counter: that the mercenaries have so far been unable to match.

The prestige they have acquired across the years, from honourable antiquity to the present day—genuine tradition in other words—cannot be bought. Even today, the winners know that although the prize money may be comparatively small, the fringe benefits are so huge as to make the prize itself a fringe benefit.

Sponsors proliferate, of course, in such a lucrative arena, some with beneficial effects, some debasing the currency, all concerned, naturally enough, with their own welfare rather than that of the sport and sportsmen and women they have latched on to.

Along with these unsavoury developments there has come the devaluation of the very names of the competitions. Here the guiding principle is the recognition that the terms "competition" and "tournament" are dirty words. Certainly they must never be allowed to stand on their own. If there is no alternative, such striking adjectives as international, open, world or invitational may be thrown in. Better still, insult the public's grasp of affairs by using such spurious titles as classic, festival, or masters—and never be bashful of calling anything, no matter how trivial, a championship. "Jubilee" offers new possibilities in 1977.

A number of governing bodies, most of them indeed, have tried to set their face against the rising tide of financial inducements, but in the main they have found the struggle too much and been signified as amateur stick-in-the-muds. Given that a footballer, say, sees the way of making an honest (or at least legal) bob or two, or is shown the way by Mr Ten Per Cent, one can hardly blame him for not resisting. But the decline in standards of approach, both on the field and off it, is inevitable.

The cricketers of this country are now comparatively well-off, thanks to the village green stuff they now indulge in for three differ-

ent one-day trophies with three different sets of rules, all appealing to the lowest common denominator. But how long can their resulting lack of skill at the real game of first-class cricket keep them in the fight at the highest level?

There are honourable exceptions, notably John Curry, brilliant winner of the Olympic figure skating title at Innsbruck last February. Curry could have put all future cars behind him by joining an ice show, but he regards them as "little more than tinsel and feathers" and has remained true to his principles. His conception was something much more laudable, a Theatre of Skating, and anyone with a feel for sporting ethics will wish him well with his venture at the Cambridge Theatre.

In one respect Curry follows an admirable example. In 1952, when the Queen ascended the Throne, Jeanette Altwegg, the British figure skating champion, ascended the Olympic podium in Oslo as winner of the gold medal. Rather than cash in, she joined a Pasterlitz village in Switzerland. It may not have brought her riches, but I shall be surprised if it did not bring her a contentment and happiness more durable than trinkets.

The author is Sports Editor, The Times.

Entertainment

Switch of allegiance

by Peter Waymark

The principal forms of mass entertainment in Britain in 1952 were the radio and the cinema. Both had recently touched the peak of their popularity and few could have foreseen that only five years into the new reign the millions who had listened to the wireless or gone to the pictures would have been permanently lost to the emerging medium of television.

Radio in 1952 seemed stronger in the public affection than ever. The death of Tommy Handley had ended *ITMA* but other comedy shows, such as *Take It From Here* and the Goons, were more than filling the gap. *The Archers*, the Midlands farming serial, was heard by 13 million people. Half the population listened to the 1952 Derby.

The cinema, too, was a powerful force. Admissions might have fallen a little since the war but still averaged 27 million a week in 1950, which meant that about half the people of Britain were prepared to leave their firesides and buy 1s 9d worth of escapism. Hollywood was only too glad to provide it, though the British cinema was enjoying something of a renaissance with the Ealing comedies and the work of directors such as Sir Carol Reed and David Lean.

Television, by contrast, was in its stone age. Not until the early 1950s did programmes cover the whole country and even then hours of transmission were limited, picture quality indifferent and ownership of sets confined to the more wealthy. But once television developed to the point where it could offer a substitute to the wireless and cinema, the mass audience rapidly switched its allegiance.

One decisive event was the 1953 coronation. For the first time, a television audience exceeded a radio audience (23 million against 12 million, according to the BBC) and the potential of the new medium was established beyond doubt. Even more significant was the start of independent television in September 1955, which not only provided an alternative programme but appealed directly and deliberately to a working-class audience.

The BBC was still operating in the shadow of its creator, Lord Reith, who believed that broadcasting should improve the mind and resist catering for the lowest tastes. As long as it was a monopoly the BBC could sustain this high-minded attitude without serious challenge, though the success of commercial radio stations like Luxembourg indicated a demand for a more popular approach.

the other hand, had to take account of mass taste if it were to satisfy its advertisers. Programmes were aimed at a lower level of intelligence and serious items, if they appeared at all, were ruthlessly excluded from peak hours. The triviality of the independent television output was to be roundly condemned by the Pilkington Committee but the formula soon won 70 per cent of the television audience.

The BBC was forced to react, for it could hardly justify taking licence money from people who overwhelmingly preferred the other channel. To its credit, the BBC avoided the easy solution of coming down to the independent television level and managed to win large audiences without too great a sacrifice of quality.

The cinema during the 1950s went into a disastrous decline, for which independent television, with its working-class appeal, was largely responsible. In its first five years admissions fell from 1.178 million a year to 515 million and a third of cinema buildings closed. The optimistic in the film industry thought the decline would eventually be halted and even go into reverse as happened in the United States. But admissions continued to drop and by 1975 were down to barely two million a week.

In an attempt to halt the slide, the film industry resorted to all sorts of expedients, from wider screens to stereophonic sound, multimillion pound blockbusters lasting three hours and, more recently, an increasing emphasis on sex and violence. In each case the idea was to offer something that television could not. But television, too, was developing: the adoption of 625 lines and colour meant a better picture and, perhaps more important, creative talent that once would have gone into the cinema was now fulfilling itself for the small screen instead.

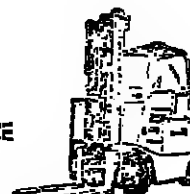
So in the jubilee year the rivalry for the mass audience is not between television, radio and the cinema, but within television.

Ironically the BBC, for so long saddled with the "staid" image, has been better at winning audiences recently than its rival. Television schedules are built on audience inertia: once hooked to a particular channel, most people will stay with it for the rest of the evening. This makes *Bruce Forsyth* and *The Generation Game*, based on the premise that ordinary folk making fools of themselves are funny, one of the BBC's key programmes. It goes out early on Saturday evening, pulling in 18 million viewers. Who is to say they are wrong?

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improve Britain's situation, not only for our own sake but to benefit people throughout the world. This company, from Chairman to newest apprentice, offers compliments and respect at this Jubilee. And looks forward to the next.





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Age of reform

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mischievous Scotsman observed that its ruling must have been prompted by the understandable wish to forestall the Scottish Law Commission, whose first law reform programme included an item, laconically described as "Judicial Precedent".

Be that as it may, the Lords have assumed an enterprising initiative, especially in criminal law and administrative law. A series of significant, if controversial, decisions have dealt with such problems as the state of mind required if murder is to be established, the law relating to corruption, and the interpretation of section 16 of the Theft Act which creates the new offence of "obtaining a pecuniary advantage by deception".

In administrative law it cannot be doubted that, as executive action by government departments and state agencies has multiplied and intruded more persistently into the lives of individuals, the House of Lords and the Court of Appeal have shown themselves determined and skilful in extending the power of the courts to supervise ministerial and governmental decisions, even when faced by apparently plain statutory language warring them off the ground.

And they have insisted on the application of the principles of natural justice in "quasi-judicial" decisions by whomsoever they have been taken. Finally—and

perhaps the most majestic achievement of all—it is now ultimately for the court, not the minister, to decide whether state documents which are relevant to a litigant's case should or should not be produced in court.

In general, the first 25 years of the Queen's reign have been invigorating. If the next 25 years are as good, the reign of Elizabeth II will be one of the great periods of legal development. The courts are emerging into the new world, ready in changed circumstances to exercise their traditional role of standing between the power of the state and the citizen. At the same time the substantive law is being reformed in a way which keeps the law socially relevant.

Have, then, the law and the lawyers during these 25 years moved from their traditional grounds (where, of course, they are still to be found) into a new world of public law? The answer must be: not yet. But, if they are called upon to assume constitutional and public law responsibilities, the developments of the period suggest they will be ready to meet the challenge. The EEC, the European Convention on Human Rights, and now the likelihood of some measure of constitutional change within the United Kingdom are indications that the challenge may not be long delayed.

The author is a Lord Justice of Appeal. From 1965 to 1973 he was the first chairman of the Law Commission.

Postscript

Common man takes over

by Patrick O'Leary

John Clare, peasant poet, wrote: "I was wandering up Oxford Street when my eye was suddenly arrested by straggling groups of the common people talking about a funeral. I knew it was not a common one by the curiosity that kept watch on every countenance."

"The common people are the veins and arteries that feed and quicken the heart of living fame. They felt by a natural impulse that the mighty was fallen."

It was Byron's funeral Clare saw, but his words still live; they might have been applied to Sir Winston Churchill's last journey.

If the second half of this century merits a mention in history books at all, surely it will be as the age when giants died and the men in the street took over. The day Andy Capp discovered Smirnoff has dawned.

One reason is that our would-be great men have lost the common touch, although some strive hard to cultivate it. A backbench MP told a radio interviewer, in all seriousness, that he thought Sir Harold Wilson's fondness for honouring show business people was done to keep in touch with the men in the street.

On the other wing, when Sir Alec Douglas-Home was Prime Minister, a member of

his household was asked what he knew about the problems of ordinary people, and replied that the party leader often had to speak to them on his estate.

Politicians are not the only public figures who have shrunk. Cricketers find it tough at the top; so do football managers, ground between the supporters on the terraces and boardroom bosses. Even poets are less than Byronic.

If the great lack the common touch it could be because we commoners have lost the great touch. Anyone who seeks to assume the mantle of the mighty is decried as an elitist, dressed in a little brief authority. We are all small boys pointing and sniggering: "The Emperor's got no clothes."

Small wonder, men of stature do not rush to become parliamentary private secretaries. If they reach the Cabinet it will mean going walkabouts in shopping centres, being jostled by camera-conscious demonstrators. When they escape, it will be to sit in a studio with Mr Robin Day while you and I telephone in heckling questions.

One slip and the slogan brigade will march on Whitehall bellowing: "So-and-so out. So-and-so out." We have not reached Orwell's *Nineteen Eighty-four*, but Newcham may prove equally insidious.

It is salutary to hear men in what used to be the Dominions ask: "Are things really as bad as we hear in Great Britain?" They do not realise the name was shortened to Britain long ago, that we are all Little Englanders now, apart from the Little Scotlanders.

It was by plebiscites that Common Market was placed before Commonwealth, and so widespread has participation become that people can no longer grumble they are not consulted. There are streets in London where you have to slink along close to the wall to avoid eager women who leap at you to ask: "Which old movie did you watch on the box last night?" or: "Which cereal did you have for breakfast?" I understand some ask even more intimate questions.

There is no escape from guzzling. Dr George Gallup, father of it all, has masterminded a global opinion poll, covering nearly 70 countries. What frightens me about polls is not their occasional absurdities. It is that, give or take an election or two, they are uncannily correct. By sampling 3,000 people they establish what 30 million are thinking.

This can only mean we are all morose, without an original thought in our heads. G. K. Chesterton said prophetically: "A few men talked of freedom while

England talked of ale." The greatest success of the little man in recent years was to halt the replacement of his traditional pint by keg bitter.

It has proved a Pyrrhic victory, since brewers charge speciality prices for what used to be the cheapest beer in the house. Nevertheless, I hope the next campaign will be to restore whisky and whiskey to their former maturity.

Success should not go to our heads. It is not true the common man always displays common sense. Arnold Bennett told Sir Norman Angell: "It is impossible, and even wrong, to try to govern a country on a plane of common sense which is too high above its own general plane of common sense." Elitist stuff this, but worth pondering.

We can be a bit of a rabble without someone to give a lead, and it is confusing when the trumpet utters an uncertain sound, especially if blown by more than one trumpeter.

As the captains and kings depart, the common man is left holding the stage, and the baby. But the show must go on, and Noël Coward is no longer here to ask why.

Britain may have lost an empire, in a fit of absence of mind, but can still find a role; even if it means playing the Palladium, or the House of Lords.

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1953



1954



1955



1956



1957



1958



1959



1960



1961



1962



1963



1964



1965



1966



1967



1968



1969



1970



1971



1972



1973



1974



1975



1976

We noticed.

When, in 1972, the Royal Mint did not issue any ten pence pieces, it just wasn't the same. Our sincerest congratulations

to the Queen from everyone at the National Westminster Bank on the occasion of Her Majesty's Silver Jubilee.

National Westminster Bank



POLITICS IN ABEYANCE

The Roman Catholic Bishop of Ardagh and Clonmacnoise, whose diocese is in the Republic of Ireland, made some fair political points in his widely publicized condemnation of British policy in Northern Ireland, which he delivered on New Year's Day. The security situation as before (minus detention without trial), coupled with the temporary extinction of provincial representation, and the absence of any new initiative from Westminster for their substitution, has indeed a tendency to produce some of the ill effects Dr Daly listed: "parties fragmented, the best interests and out of the worst intrigue with passionate intensity. Politicians are up-staged by paramilitaries. Politics become discredited. All initiative is given over to men of violence."

If he believes all that and worse to be happening, he is justified in proceeding to dub British policy, or the absence of it, "unbearable and disastrous." But neither political reasoning nor public licence justifies his further embellishment of his theme. "One has repeatedly denounced the IRA for mindless militarism, and for their total lack of credible political thinking." But official policy in the North begins itself to look more and more like a replica of this.

No initiative

The Bishop follows the logic of every parlor revolutionary in equating force used for the purpose of subversion with force used by legitimate authority in accordance with law for the preservation of public institutions and public order. If he can no longer distinguish between these two types of application of force in Ireland, his own Prime Minister should be able to help him. And if, in his mind, a determination to uphold the authority of the state against violent challenge by an admittedly tiny minority of irreconcilables does not clear a general lack of credible political thinking, again his own Prime Minister would have something useful to say to him.

But in truth Dr Daly can make these distinctions, and often has when denouncing the crimes of the Provisional IRA. He slips into the other way of talking only because even the least subversive and most peaceable of Irish politicians has instinctive reservations about the legitimacy of any operation by British soldiers on Irish soil—which is

one reason for the fragility of Anglo-Irish accord on the suppression of terrorism.

It is true that there has been no ministerial initiative directed towards the restoration of provincial government in Ulster since the failure of the Convention to bridge the sectarian divide in the early part of last year. But that is not to say that it would have been better if there had been a new ministerial initiative of some kind, or that, in its absence, there has been no movement in the political context of Ulster's conflict. There has been quite a lot of movement, some of it favourable to peace.

The Dublin Government now bears more heavily on the Provisional IRA and has rendered its territory a less easy sanctuary. It has not "rooted it out," an operation which, in the South at least, is to be performed only at huge political cost. But Mr Cosgrave's Government has made life much more difficult for the Provisionals without inflating public sympathy for them. In the North the deaths, injuries and damage caused by political violence in 1976 have been such as to make assurances about the efficacy of security operations sound unparadoxically complacent. Yet it ought to be recorded that the policy of giving precedence to police work in the tracking of terrorists and proceeding against them through the ordinary processes of law—which is at this time the right policy to pursue—has achieved improving results.

The Peace Movement was spontaneous, has been courageous and is a needed source of hope. Unfortunately its influence is least apparent where there is most need of it: its contribution is to sentiment and morale. It is not an instrument of politics. The political parties are becalmed, without elections, without a focus, without a function, and without a forum, apart from their under-represented presence at Westminster, which fifty years of parliament at Stormont taught Ulstermen to regard as secondary and remote. And it has to be admitted that Mr Rees's policy of leaving them alone to mull it over—a policy which his successor Mr Mason has continued by the conspicuous avoidance of anything to contradict it—has contributed more to divergence, fragmentation and confusion than it has to unity and clarification.

The main party representative of the Roman Catholic community, the SDLP, came close to resolving at its annual conven-

tion last month to call for a British declaration of intent to withdraw from the province—Sinn Féin's policy, and perhaps Sinn Féin's, but assuredly not the SDLP's hitherto. The Unionist coalition is divided between those who would pay the London price for provincial government, which is to share power within it with the SDLP, those who hold out for a reconstituted Stormont, and those who would be satisfied for the time being with administrative devolution.

Lacking in support

The third of these courses was promoted by Mr James Moynihan, the titular leader of the Ulster Unionists at Westminster, in the debate on the second reading of the Scotland and Wales Bill. He said that Ulster was primarily interested in executive not legislative devolution; that that would satisfy Ulster's most urgent need for a return to provincial self-management, and that the problem of "power sharing" would fall into place since the elected body would be organized like a metropolitan council in England working through all-party committees. It would be combined with full representation at Westminster. The idea has obvious attractions, but it falls, like other schemes, for lack of sufficient support across Ulster's communal divide. Nor would the necessary support be furnished by the Government's promotion of the policy.

In fact, the judgment that there is lacking at the present time the necessary support or consent for any identifiable alternative to the form of administration Northern Ireland now has, and the further judgment that the active promotion of any particular scheme by an English minister, in the manner of Mr Whitelaw, would spoil rather than enhance its chances of acceptance and the further judgment that "direct rule" may not be supplanted but is accepted better than was either Stormont or the fruits of Sunningdale in the preceding seven years, are, taken together, sufficient reason to leave constitution-making in abeyance for the moment. The time for it will return before long. For the present there is enough for the British administration to do in the suppression of political violence, and in supporting the ailing Ulster economy to the limit of the constraints imposed by the ailing economy of the kingdom as a whole.

The future of nuclear power

From Mr Geoffrey Johnson Smith, MP for East Grinstead (Conservative)

Sir, It is not time that you published an analysis of the prolonged correspondence on "Nuclear Power: danger and safety." From the moment Lord Rothschild was told by the Principal and Vice-Chancellor of the University of Strathclyde that the Flowers Report (surely the most significant to be published by Government since the war?) had stimulated him into an emotional outburst, we could have guessed that we were in for one of those scientific and intellectual "punch-ups" familiar to the readers of Nigel Balchin and C. P. Snow.

With respect to the eminent scientists to whom those of us who took part in our own calm debate in the early hours of December 20 are indebted, I suggest that laymen can now draw live conclusions.

First, the problems are too important to be left to the scientists. They involve moral and ethical issues transcending technology. Secondly, the Government should embark upon and encourage a sustained programme of information telling people what is at stake. (Compared with the USA and Sweden we have an ill-informed public.) Thirdly, the Government should not be rushed into a decision to commit this country to fission power. There are far too many conflicting statements about the "energy gap."

Fourthly, notwithstanding the above, nuclear waste already poses problems which demand an accelerated research programme in how to dispose of it safely, as the Flowers Report so clearly emphasizes. Fifthly, the cost of a future energy programme, when we ask the nuclear road or not, will be prodigious.

Any realistic energy policy which must include far reaching energy conservation measures if it is to be afforded will involve the closest co-operation with our EEC partners. The Government and particularly the Secretary of State for Energy, Mr Tony Benn, will, I hope, grasp this need for the sake of those who will come after us.

Yours faithfully,
GEOFFREY JOHNSON SMITH,
House of Commons,
SW1.

Air fare structure

From Mr K. G. Braidwood
Sir, As a director of a travel agency I have strong sympathy with the frustration Mr Junge (December 18) expressed with the absurd fare structure operated by the international airlines. I do not join in his welcome for Mr Laker's Skytrain. The Skytrain bid will only compound the existing fare chaos.

The basic problem, which frustrates Mr Junge, on the international airlines the world over is that there are few routes where the number of seats available on their aircraft does not vastly exceed the number of bottoms willing to fill them at existing fares. The international airlines will not either compete with each other on prices, giving the absurd excuse that they would undermine safety, nor will they collectively agree to substantial and straightforward reductions in fares. The inevitable consequence of this evasion of the elementary fact of supply and demand is the floating of the airlines' rules throughout the world, which, in turn, means that this is actively conspired at by the airlines themselves.

Not only is this massively unfair to the majority of international airline customers who pay the inflated fares, it is a nightmare situation for the travel agent who abides by his commitments to say, the Association of British Travel Agents and IATA. In their non-competitive attempts to get more passengers to fill their surplus seats, the travel agent now is instructed to deal with an immensely complicated international fare structure. For instance, there are 13 different IATA agreed fares for the journey to New York, for an individual.

Moreover, the "legitimate" travel agent receives a growing spate of complaints from his customers who, having paid for themselves sitting in-flight by a passenger who has paid up to 50 per cent less for his ticket on the "illegitimate" market. Naturally such a customer assumes that his travel agent has sold him a ticket at someone's profit, compared with his co-traveller's agent.

No, not Laker. There would be no need for his Skytrain if the international airlines put their houses in order. Let IATA confine itself to safety regulations and not act as a front to an international airline price cartel.

Yours faithfully,
KENNETH G. BRAIDWOOD,
John Ferer Ltd.,
34 Shepherd Market,
Curzon Street, W.1.
December 20.

European unity

From Lord Lytton
Sir, From your leader yesterday (December 29) we are reminded that France is not always wise. Sixty years ago she opted for 20 years of peace (Clemenceau) instead of the chance of perpetual peace. Twenty is all that Europe got.

From what you report, France seems now on the brink of opting for 40 years of power (fission) instead of the chance of perpetual peace (fusion). It is that so Europe must, albeit with extreme regret, opt out of France and leave her alone with 40 years.

As one who at baptism was stamped with the mark of my father's love of France (to my mother's annoyance he took me to the fount and called me "Noel"), I express the hope that someone with a name more like Napoleon may rise up and say "we do not refuse to fuse."

Yours faithfully,
LYTTON,
Lyttoncombe,
Porlock,
Somerset,
Christmas Day.

You will be poorer this year

From the General Secretary of the Electrical Power Engineers Association

Sir, In your article on December 23 "You will be poorer next year," you wrote of the violent changes in the financial circumstances of Britain's managerial and professional classes in the 1970s and pointed out that a similar process afflicted the German middle class in the 1920s, destabilising German society.

As it happens I alluded to the same feature at the TUC Congress in September 1974. I then said: "We cannot allow all those who exercise skill and responsibility in our society to have their standards continually undermined over a period of time. It was just this that happened in the inflation in Germany 40 years ago and paved the way to Fascism."

We are still a long way from Fascism, even if history were to repeat itself, but it is useful that someone else is waking up to the fundamental political and social dangers inherent in the highly discriminatory incomes' policies of recent years.

Since that speech the process of discrimination has gathered pace. The facts concerning our own membership are arresting enough. After allowing for the £400 a week increase due in February and the 15 per cent inflation anticipated by the Chancellor through 1977, in the three years from February 1, 1975 to February 1, 1978, our members will have suffered a reduction in net living standards, broadly speaking, of between 25 and 34 per cent—in three years!

You also said that "the professional and managerial trade unions have not been able to protect their members." Here, I disagree, both in general and in particular. In general, because you assume that professional and managerial staffs are mostly in membership of trade unions, which is not so. In industry at large the great majority of them still do not belong to any union.

Encouragingly, but still fearfully, that situation is beginning to change. My own association, which is non-political, has opened its doors to these staffs and has already found

a significant response. There is now a growing demand for an effective trade union of strength and standing in which these staffs would not be a small minority and which genuinely believes in defending their legitimate aspirations in society. What is necessary is for this demand to establish its organized expression right across industry without further delay.

I disagree in particular since the EPEA, which represents virtually the entire qualified engineering and managerial manpower in electricity supply, most certainly has the power to protect its members if we choose to use it.

We have consciously acquiesced in the £5 and £4 a week policies because of the overriding necessity to reduce inflation and unemployment. Our first line of protection is, after all, a sound economy.

However, the very success of these policies is beginning to militate against the successful regeneration of the economy. There is, anyway, a limit to their acceptability. At this limit, as it happens, is one we ourselves can apply if others will not.

Our annual conference last April was unanimous in its assessment that, reluctant as we are to exercise our power, the logical continuation of TUC non-Government attitudes to the pay of skilled and professional people would inevitably force our association into major industrial action sometime (then) in the next two or three years.

There was, and is, still time for a change of course. But we were quite clear that we would "not co-operate in the extinction of the skilled and professional workforce of this country, upon whom the whole economy depends."

The Government, in framing any further round of incomes policy, will be well advised to note carefully the views and feelings of the membership of the EPEA.

Yours faithfully,
JOHN LYONS,
Station House,
Fox Lane North,
Chertsey,
Surrey,
December 31.

Soviet psychiatry

From Dr Sidney Bloch and Mr Anthony Starr

Sir, Happily Vladimir Bukovsky is now free (Times, December 18). The "anti-Soviet" crime for which he was originally charged and sentenced was to publicize the misuse of psychiatry in the USSR for the suppression of dissent.

Another young dissident still remains interned in a Perm labour camp for his condemnation of the Soviet political use of psychiatry. Dr Benjamin Gluzman, a psychiatrist himself, initially agreed to a sentence of psychiatricity in the USSR for the suppression of dissent. He was refused to take up an appointment in the Dnepropetrovsk Special Psychiatric Hospital, convinced as he was that healthy dissenters were interned there solely because of their views.

Later, with two anonymous colleagues, he wrote a critical account of the psychiatric detention of Major-General Grigorovsk. The regime could not tolerate such outspoken criticism: in 1972 Gluzman was charged with reading and circulating "anti-Soviet" material (in fact Solzhenitsyn's *Cancer Ward*) and received a sentence of seven years in a strict regime labour camp and three years of internal exile. Beyond doubt the real reason for the harsh punishment was to deter other psychiatrists from revealing further evidence of the psychiatric abuse.

While in the labour camp, Gluzman has adhered staunchly to his principles. He has maintained an incessant campaign to have the rights of his fellow inmates respected. Amazingly, in association with Bukovsky, he prepared *A Manual on Psychiatry Dissidents*, in which he advises dissenters on how to deal with "police-psychiatrists." Earlier this year disquieting reports reached the West that he might be charged—while still serving his current term—with repetition of his anti-Soviet offences. That danger still exists.

Western psychiatrists, including the Royal College of Psychiatrists,

have intermittently issued protests on their colleagues' behalf. The need is now as great as ever for the profession, and others, to press the Russian Government into releasing Gluzman forthwith; perhaps repeating the arrangement in which detainees are exchanged.

Yours faithfully,
SIDNEY BLOCH,
Clinical Tutor in Psychiatry,
ANTHONY STARR,
Consultant Psychotherapist,
University of Oxford,
The Warneford Hospital,
Oxford,
December 31.

Police methods

From Mr Peter Berkeley

Sir, Last night my home was searched by seven police officers who entered with a warrant hoping to find evidence of supplying hard drugs. None was found and they told me that the warrant had been issued on the information of a detained drug user, unknown to myself, who had overheard what he thought was my address.

The police behaved quite properly throughout and obviously realized that they had made a mistake. However, the apology was given for upsetting my family late at night and the warrant gives them the authority to again enter my house at anytime within the next month, and by force if necessary.

Whilst believing that it is important that the police have sufficient powers to prevent the deadly traffic in hard drugs, it does seem disturbing that innocent people can be subjected to the humiliating experience of having their homes rigorously searched on the basis of uncorroborated hearsay.

Yours faithfully,
PETER BERKELEY,
53A Marlborough Hill,
Harrow,
Middlesex,
December 21.

Local government reforms

From Mr Gareth Gimblett

Sir, In his letter today (December 29), Mr Trevor Jones quite rightly highlights the ludicrous constraints under which local government currently labours, but destroys his case for reform by proposing the partial solution of the Liberal Party, which in themselves will do little to change the present situation.

For, as Mr Jones says, what is needed is political, rather than administrative, reform, but the creation of regional assemblies, the transfer of the powers of present county councils to the districts, the introduction of proportional representation and the institution of local referenda will make not one iota of difference to the present impotence of local authorities.

Indeed, such changes could well make matters worse, for the re-shuffling of functions between existing and new bodies as proposed by the Liberal Party would make local government even more removed from the electorate than it is at present.

Rather than alter the structure of local government so soon after its last major upheaval, what needs to be done is to make the present system work. This must mean a complete reappraisal of the relative powers of central and local government—powers to raise revenues, to determine priorities and the level of funding these priorities should receive. At present, central government has too great a control over these matters, so much in fact that the term "local government" has become a misnomer for "local administration."

For too long has the assumption that central government knows best been allowed to stand unchallenged—indeed, the reverse is probably true, for who better to decide local needs and the level at which these needs should be supported than the local community as expressed

The Christmas and New Year break

From Mr Ernest Cars

Sir, Much of the criticism now being made of the close-down by sections of the United Kingdom manufacturing industry over the period from Christmas Eve until after the New Year's Day Bank Holiday is unjustified.

The majority of companies involved have simply chosen to take part of their annual entitlement of holidays at this particular time.

This makes good sense for two reasons:

1) The period between Christmas and New Year has, in the past, been notorious for the high incidence of casual absenteeism. This when compounded by absenteeism due to genuine sickness (also very high at this time of the year), the disruption to manufacturing processes requiring balanced teams is serious and costly.

2) Christmas to New Year is the time of the shortest days and inclement weather, when factory heating and lighting costs are around their maximum.

In our Group, we have nine individual manufacturing units, eight arranged to close during the period between the two Bank Holidays, whilst one worked; yet all have the same annual entitlement for holidays. Each subsidiary has the authority to arrange its holidays in accordance with its own trading circumstances and with the agreement of its work people. Those companies who have taken the extended break between Christmas and New Year have, in fact, followed preferred Group policy, believe our own situation to be typical of most in the British manufacturing industry.

May I add, in case our preference be considered inspired by personal comfort, that our Group headquarters—a purely administrative unit with a small staff—has worked this week: we had our AGM yesterday and I am dictating this letter to you on New Year's Eve!

Yours sincerely,
ERNEST CARS, Chairman and Managing Director,
The Moss Engineering Group Limited,
Birmingham,
December 31.

Right of trial by jury

From Mr J. A. Seabrook

Sir, My correspondence some years ago with the Aylesbury Post Office may be relevant. I wrote that a nearby pillar box became overloaded with letters in the evening, so that it was easy for anyone to put his hand in the box and take out any letters already there, and suggesting that a larger box or a second box should be provided. The reply was, in substance, that the trouble was due to people posting too many letters in the box. The Lord Chancellor and the Government now say that the cause of the congestion in the Crown Court is due to too many people exercising their right of trial by jury.

After all these years I do not expect anything to happen about the pillar box, but when the liberty of the subject is at stake we should insist on extra capacity in the Crown Courts and not be fobbed off with the right to receive innumerable case advance copies of the prosecution evidence (even if the Government offer this concession). There is not only the immediate issue of retaining the right to jury trial but the question what other rights may one day be taken from us and the ground that we exercise them too much.

Yours faithfully,
J. A. SEABROOK,
4 Castle Street,
Aylesbury,
Buckinghamshire.

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Jubilee bonfires

From Mr E. W. C. Symes

Sir, While countless local committees are considering how best to celebrate the Queen's Jubilee with maximum effect and minimum expenditure, I ask that they do not overlook the inclusion of hilltop bonfires in their plans. This winter thousands of diseased elms are being felled and the branches are regarded as waste to be burnt in situ. Let them be reserved for carrying to the hilltop bonfire sites during the coming months, and hundreds of impressive conflagrations will flame skyward on Jubilee night, at no costly outlay on fuel.

In 1588, under the first Elizabeth, hilltop beacons signalled the approach of the Spanish Armada—the bonfires lit for Elizabeth the Second may, perhaps, signal our ultimate triumph over no less threatening circumstances in 1977.

Yours faithfully,
E. W. C. SYMES,
Calmore,
Kingston Deverill,
Wiltshire.

GROWING PAINS IN IRAN

There was no mistaking the bitterness felt in Teheran last month over Saudi Arabia's refusal to accept the new oil price desired by the majority of oil-exporting countries, and over Shaikh Yamani's announcement that Saudi Arabia's oil production would be lifted. The Iranian government newspaper, *Rastkhiz*, stated as far as to accuse the Shaikh of taking orders from the United States rather than from King Khalid.

Such an accusation might seem surprising, coming from a government which often proclaims itself the most reliable ally and guardian of Western interests in the Middle East and the Indian Ocean. Yet whatever its hostility to revolutionary socialism, and its "miserable" about Arab nationalism, there can be no doubt that on the issue of the oil price Iran is strongly, indeed fervently, in one with the industrial Arab states such as Iraq, Libya and Algeria. Shaikh Yamani, with a tiny population to feed and a vast financial surplus already accumulated, can afford the luxury of worrying whether too sharp an increase in oil prices may help the Communist Party into power in France or Italy. The Shah of Iran, whose balance of payments ran into deficit last year, can worry only about how to satisfy the expectations aroused in thirty-four million Iranians by the dazzling chimera of oil-wealth and by his own past policies.

Iran in the past three years has made itself a kind of test case for an extreme hypothesis of development economics—the strategy of the "big push" which was fashionable in the early days of development studies. This point was brought out last month at a Chatham House conference on "Iran 1980-85: Problems and Challenges of Development", in a paper by Mr Robert Mabro of St Antony's College, Oxford. He pointed out that academically the "big push" theory had failed to survive two major criticisms: "How could a poor 'third world' country finance compre-

hensive and large scale investment programmes? Would an underdeveloped country be really underdeveloped if it could supply the organizational and technological talent, the skilled manpower and the institutional framework necessary to effect the big push?"

In Iran's case, the eightfold increase in oil revenues between 1972 and 1974, which raised per capita income to 1,360 dollars a year, effectively removed the first objection, and the Shah decided simply to ignore the second. Unfortunately the results suggest that the second objection was valid. The queues of ships and lorries at Iran's frontier soon became proverbial. Cargoes of fruit went rotten and had to be thrown into the Gulf. Domestic prices soared, as did industrial wages, while agriculture—held back by administratively controlled food prices—was rapidly drained of labour. Corruption and waste proliferated. The urban population grew much faster than houses could be built. The economy careered towards total chaos, and there were dangerous symptoms of social unrest.

The Shah has been quick to realize the dangers, and has lately begun to lecture his own people in the tone previously reserved for the degenerate Western democracies. His interview with *Kayhan* last November—the first ever given to an Iranian newspaper—showed a clear appreciation that growth in future would have to be more gentle and more carefully planned. Money alone cannot eliminate all the bottlenecks, perhaps the most serious of which are not the physical but the human ones—the lack of trained manpower and the failure to connect rewards with personal effort. In Mr Mabro's words again, "the danger of the oil exporting country is to become a rentier State which creates rentiers and propagates the rentier mentality within the country."

To that extent a lower level of oil revenues than expected for

the remainder of the decade might be thought a blessing in disguise. But Iranians can hardly be expected to see it that way. Like us, they are now having to embark on expenditure cuts—at a much lower standard of living, and with much more spectacular expectations to disappoint. Like us, they are finding that it is too often easier to cut productive investment than current expenditure on consumer goods.

Consumer goods include weapons. In their case, the consumers are the Shah himself and his armed forces, and they do not find self-denial at all easy. In 1975 Iran spent more on defence than any other developing country, and more as a proportion of her gross national product than any other except those directly involved in the Arab-Israeli conflict. Since then there have been attempts to hold down the defence budget but (to the relief, no doubt, of British arms manufacturers) these have had little noticeable effect.

The Shah argues that his large armed forces and ultra-sophisticated weapons are necessary to resist Soviet expansion and subversion in the Gulf and the Indian Ocean, just as his ruthless security police and summary justice are necessary to contain subversion at home. But Western military experts who have seen the Iranian armed forces operating in Dhofar are not convinced that expenditure on that scale is either necessary or effective. Nor for that matter are even sympathetic Western observers convinced that internal threats are such as to justify the degree of repression used in Iran. Indeed, could any threat justify the systematic torture, executions and other violations of human rights chronicled in the briefing paper recently published by Amnesty International?

Economic growth is certainly desirable, but it should be accompanied by progress towards a more humane and tolerant society. Otherwise the tensions that it generates must sooner or later erupt in violent form and carry away the regime that has presided over it.

leading to a one party state. I want neither revolution nor stagnation, but changes allied to the world in which we live, and a chance to get on with the job. The reforms suggested by the Procedural Committee can only help.

Yours faithfully,
B. FOGARTY,
7 Eadlands Way,
Oxford,
Surrey,
December 21.

Adversary politics

From Mr B. M. C. Fogarty

Sir, Your report on Mr Foot's evidence to the Parliamentary Committee on procedure (*The Times*, December 24) fills me with gloom. If partisan legislation is the essence of the British political process, then, I would suggest, the process is wrong. Adversary politics, like adversary anything, assumes that one party has the monopoly of wisdom

and the ear of the people, and the others have neither. Can any party seriously claim that?

We see each day evidence of increased polarization in Parliament between the two major parties, tempered only by some smaller opposition parties, some discredited politicians of right and left in both Houses, and a somewhat lonely executive facing the realities of government. There must be more common ground than this, without



COURT CIRCULAR

SANDRINGHAM
January 4: The Hon Mary Morrison has succeeded Lady Abel Smith as Lady in Waiting to the Queen.

CLARENCE HOUSE
January 4: The Hon Mrs John Mulholland has succeeded Ruth Lady Fermoy as Lady-in-Waiting to Queen Elizabeth The Queen Mother.

The King of Spain is 39 today.

The Duke of Kent will visit the Royal Mint factory, Kingsbury, London, in connection with the Little Overseas Trade Board's North London and Luton export conference on January 20.

The Duchess of Kent will launch a bulk carrier for Welsh Ore Carriers at Austin and Pickersgill's shipyard, Sunderland, on January 18.

Birthdays today

Sir Kenneth Bradley, 73; Miss Stella Hopkins, 75; Sir Frank Hartley, 66; Dame Kathleen Kenyon, 71; Mr Bernard Leach, 59; the Hon Rev Dr T. Langford, 85; Dr J. R. Fiedler, 90; Major-General H. Quinlan, 71; Sir Bryan Shawcross-Smith, 78.

Marriages

Mr J. N. Brown and Mrs E. A. Stevens
The marriage took place on December 31, in Cambridge, of Mr John Neville Brown, of Kettleburgh, Woodbridge, Suffolk, and Mrs Elizabeth Ann Stevens, widow of Samuel Frederick Stevens, of Beccles, Suffolk.

Mr H. D. Neame and Mrs A. Sarfield
The marriage took place on Tuesday, December 28, between Mr Richard Neame, of The Court House, Bishopscote, near Canterbury, and Mrs Anne Sarfield.

Mr W. Roxburgh and Miss S. Don
The marriage took place at the Church of St Peter, Fort St John, on December 31 between Mr William Roxburgh, eldest son of Mr and Mrs William Roxburgh, and Miss Susan Don, eldest daughter of Mr and Mrs Gavin Don. Father Freeman officiated and the blessing was given by the Rev Anthony Salmons.

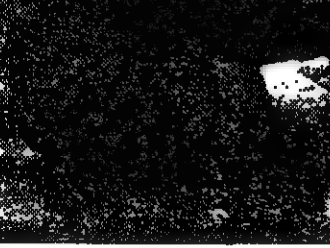
The bride was attended by Miss Sally Don, Miss Katherine Cusack, Cecily Don, Corrine and Kirstin Salmons, Odon de Boissieu.

A reception was held at Gwynne Castle.

Today's engagements

The Duke of Gloucester opens annual conference of Council for Education in World Citizenship, Piccadilly Hotel, London, 11.

Lecture: Michelangelo, by Audrey P. Tyndall, National Gallery, 1. Lunchtime music: Cello, Pops, soprano, and Garrett O'Brien, piano, St Olave's Church, Hart Street, City, 1.05.



Mr Timothy Bevan, left, deputy chairman of Barclays Bank, handing over the box of recently discovered Byron and Shelley manuscripts to Lord Eccles, chairman of the British Library, where they are to be deposited on indefinite loan. With them is Dr D. F. Waley, keeper of the department of manuscripts.

Output of ITV doubled

Weekly transmissions by the average independent television company have doubled in the past 20 years to nearly 93 hours. "Informative" programming, that is, news, current affairs, adult education, religious and children's programmes, came to 39 per cent of the total as against 19 per cent in 1956.

A review of the first 21 years of independent broadcasting appears in the Independent Broad-

The new Grove's dictionary of music will run to 20 volumes and cost about £500 Symphony for 2,000 writers, 50 staff, and a computer

By Peter Godfrey

"Like their earlier songs, 'Yesterday' has some of the subtleties of clues, and one section is pentatonic, but it lacks the ubiquitous accented bass, and the typical rock-and-roll ensemble is replaced by a string quartet."

That assessment of the Beatles is not the kind of information one would expect to elicit from *Grove's Dictionary of Music and Musicians*, even if the tone is familiar, but such entries will figure prominently in the new edition of the musicians' standard reference guide, at present being prepared at a cost of about £2.5m.

The new *Grove*, the sixth edition of the work Sir George Grove founded in 1878 with a

humble single volume in mind (even that ended up as four) will stretch to about 20 volumes, encompassing a wider variety of musical genres, musicians and composers in greater depth than has been attempted before. Its publication will coincide with the centenary of the first edition and represents the cumulative efforts of 2,000 contributors and 50 full-time staff over six years.

"A revision of the old *Grove* simply was not on," Mr Stanley Sadie, editor of the new dictionary, said. "There has been an unprecedented explosion in musical scholarship in the past two decades. Besides it was no longer in approach, and the new one delivers into the hands of the user immediately after the war, when it was compiled, were

difficult ones for international academic collaboration."

A third of the articles in the new edition has been written by Americans, and another third by Germans and other Continental scholars, thus redressing its present English bias. Bibliographies are generally four times as long as in the present edition, and composers' works are given manuscript numbers and extensive archival detail, which, it is hoped, will cast light on such obscure areas as the authenticity and dating of works by Haydn and Beethoven.

"We used the old dictionary to limit itself to an historical survey of music, the new one delivers into the hands of the user immediately after the war, when it was compiled, were

the evolution of musical traditions," Mr Sadie said.

The new work also tackles exhaustively musical epochs that are traditionally neglected — our coverage of the Renaissance is much fuller than any other would have dreamed possible twenty years ago — and musical areas, such as Latin America and the Far East. Modern music from jazz to electronic, finds a place. "They are just as much a part of contemporary music as Benjamin Britten," Mr Sadie said, although they are not covered as much length because you do not turn to *Grove* for that kind of thing."

Editing a work of the new *Grove's* dimensions has called for prodigious efforts of organisation by Mr Sadie, who

has managed none the less to sustain jobs as a music critic for the *Times* and editor of *Musical Times*. He has been helped by an advisory panel of twenty eminent music scholars, and a computer.

The dictionary's expected price of £500 or more is bound to price many music lovers out of the market. But the work of the market, Mr Sadie said, is to be original and innovative. Mr Harold Macmillan, president of Macmillan, the publishers, has taken a strong personal interest in seeing it to record received knowledge."

Mr Sadie said, "although in this case much of it has been freshly received by us."

The new *Grove* will be the children of the initiative compendium of music produced to date.

Community-centre role for libraries urged

By Our Arts Reporter

A change in the conventional role of the public library to make it a centre of community activity is called for in a report on public libraries in a publication published today by the Library Association.

Many members of minority groups, it says, view the public library as a place of refuge, a place where they can find a mixture of "mixing, doubt and suspicion, and so it is a handicap when it comes to speaking, reading, and writing."

The report was introduced at a press conference yesterday by Mr Eric Cough, former city librarian of Southampton, who is working in a national public library services for ethnic minorities.

It says libraries could offer a wider range of books, newspapers, sound recordings, films and other audio-visual materials. They could provide facilities for community activities, such as the community with small exhibitions and talks; make small collections of books available to community associations and meet community leaders.

Provision needs to be made to help West Indians with their

special language difficulties; many West Indians and their children speak a dialect more than adequate for their everyday needs but it is a handicap when it comes to speaking, reading, and writing.

The report says public library services should be of particular value in providing an orientation service to members of minority ethnic groups who are strangers in a strange land, baffled by the complexities of our society.

The library could be of inestimable value in helping to resolve those perplexities, perhaps as a reference centre for the many specialised public information centres, but that opportunity is often missed, and reference and information services are rarely used.

For children, the need for some knowledge of their own cultural, social and historical background is of even greater significance than for their parents; for many, books are the only substitute for experience.

The case for providing books for children is overwhelming where there is proved need and demand. Copies of the report, published as a leaflet, can be obtained free from the Library Association, 7 Ridgmount Street, London WC1E 7AE.

Dinners

Gold and Silver Wyre Drawers
The Installation Court service of the Gold and Silver Wyre Drawers' Company was held at the Church of St James, Garlickhays, yesterday evening, when Canon Peter Tydenham gave an address. Afterward dinner was held at Painters' Hall. The speakers included Mr Charles Herbert, elder son of Mr and Mrs Herbert, and Mr Charles Herbert, elder son of Mr and Mrs Herbert, and Mr Charles Herbert, elder son of Mr and Mrs Herbert.

London Court of Arbitration
The Lord Mayor and the Lady Mayoress, accompanied by the Lord Mayor's wife, were present at the annual dinner of the London Court of Arbitration, held at the City Livery Club yesterday evening. The chairman, Mr Leslie B. Prince, presided, and the other speakers were the Lord Mayor and Mr J. F. Phillips, President of the Institute of Arbitrators.

Mr Clifford A. L. Clark was installed as chairman of the London Court of Arbitration for 1977. Mr R. G. Scriven, deputy chairman, and Mr F. N. Steiner as vice-chairman.

Sherlock Holmes Society of London
The annual dinner of the Sherlock Holmes Society of London, given in aid of the charity of the National Society for the Prevention of Cruelty to Children, was held at the Charing Cross Hotel last night. Mr Frank Allen, chairman of the society, was in the chair, and the guest of honour, Mrs P. Dalton, also spoke.

Latest appointments

Mr Michael Ward, MP for Peterborough, to be parliamentary private secretary to Mr Judd, Minister for Overseas Development.

Professor Walter James, dean of educational studies, Open University, to be principal of the College of Higher Education, Worcester, from September 1.

Prospective candidate

Mr David Deakin, aged 49, an accountant, of Windsor Hill, London, to be prospective Liberal candidate for Essex South-east, at the next election.

Career training award

Wiltshire County Council is to establish an award, the Certificate of In-Service Training (Career Education), for teachers who successfully complete seven one-week courses.

Science report

Surveying: Tunnel for accelerator

The new particle accelerator just brought into operation at the European centre for nuclear research (CERN), near Geneva, is not just pushing back the frontiers of physics. The tunnel in which it is housed has called for hitherto unheard-of precision in surveying and drilling. In a recent report Dr J. Gervaise, of CERN's survey group, has described how such high precision was achieved.

Metal-detector users damage historic sites

From Our Correspondent
Bournemouth
Action to curb treasure hunters using metal-detectors who have damaged archaeological sites in Dorset is suggested by Mr Roger Peers, curator of the Dorset Natural History and Archaeological Society.

In a report to the county council's standing conference on countryside matters, he suggests that people should watch out for treasure hunters who are using metal-detectors to find archaeological sites and warn them off and take their cars nearby.

Bodbury Rings and Maiden Castle
The Bodbury Rings and Maiden Castle, says, and 18 treasure hunters were found at a scheduled Roman villa on Purbeck.

Peak cavern to open at Easter

Pool's Cavern, near Burton, Derbyshire, a showplace since Roman days, is to reopen to the public after being closed for 11 years. Mr Selwyn Jepson, the resort activities manager for Peak Park, said yesterday that experts had been surprised to find that stalagmites had formed on the footpath of the 1,000-ft-long cavern.

There is a theory that they grow an inch every 10 thousand years, but here we have stalagmites of two or three inches formed in 11 years. The cavern has been bought by Burton Civic Association.

£300,000 gift for Bible fund

A £300,000 gift has been made by the Bible Society to help to start a scripture supply fund for parts of the world where there is a shortage of Bibles.

The fund, of £700,000, is being established by the United Bible Societies. It will provide advance grants to help with the cost of finance where there is a long delay between scriptures being ordered and being paid for.

Clifton College

The Lent Term at Clifton College begins today with 654 boys in the upper school and 504 in the preparatory school. Headmaster is Mr A. R. Gerard-Pearce (Dulwich) and second head of school is Mr H. Hammett (North Town). The weekend conference of the school's governing body is on February 12 and 13 and the spring concert at the Colston Hall is on March 15, when the choir will perform Beethoven's Mass in C. Term ends on March 23.

OBITUARY

MR E. O. LANE Former Solicitor to the Metropolitan Police

R. M. writes:
Perhaps the most appropriate tribute to "Cappy" Lane, and certainly one he would have accepted with as much humour as dishevelled, is that his death on December 29 brought to many policemen and lawyers a genuine sense of shared loss. Since 1965, until his retirement last June, he had been Solicitor to the Metropolitan Police, heading a department of 50 lawyers and responsible for advising three successive Commissioners on all prosecutions not the responsibility of the Director of Public Prosecutions.

It was in every way a difficult period, marked by changes in both criminal justice and Police accountability, and it was for him a major achievement that he should emerge from it with the respect and even the affection of lawyer and policeman alike. By the time of his retirement he had assumed an importance and an influence in Scotland Yard that he was too modest to recognize. Not at all surprising, in view of his earlier career, was the warm respect and affection he enjoyed in his own department.

An Australian, he took a First in Law at Sydney University while learning to fly privately.

WING COMMANDER JAMES LAWSON

N. C. writes:
Wing Commander James Lawson died just before Christmas at the age of 81. His death meant that the Royal Air Force Rugby Union lost one of its staunchest supporters and the Rugby Football Union a long-serving administrator and a past President.

Jimmy Lawson, as he was affectionately known to his many friends, was commissioned into the Royal Flying Corps in 1918 having previously served in the Fusilier Regiment which he joined in 1914.

After the 1914-18 War he stayed on in the Royal Air Force as a regular officer, retiring in 1930. On the outbreak of World War II he was recalled to full time service, retiring for the second time in 1946. Later that year he accepted the newly-created post of Director of Sport for the Royal Air Force, an appointment he held until 1961.

He had a deep and abiding passion for football, as a player for Richmond, a referee who knew how to let the game run, and a top administrator. He became Honorary Secretary of the Royal Air Force Rugby Union in 1923, a post he held until the outbreak of the second World War. With Cyril Gadsby and other he helped keep the game going in the

Service during the war and also played his part in getting the game going again in the RAF when war ended. In 1947 he became the RAF representative on the Rugby Football Union and in season 1958-59 he was honoured with the presidency of the RFU.

Jimmy Lawson was a character in the old-fashioned sense. His friendly, outgoing manner coupled with his deep knowledge of rugby matters, made him a popular president and a favourite figure in rugby club circles. His bowler hat, which he always wore whatever the season or occasion, became a familiar sight in the Committee Room at Twickenham as Jimmy surveyed the scene he so much loved and of which he became over the years so much a part. He was a great raconteur with a fund of RAF and rugby anecdotes which helped while away the time on journey to matches. He never forgot that it was the players who made the game not the administrators.

In the last five years of his life he suffered much from ill-health, having lost a leg in a motor accident. He nevertheless remained cheerful and uncompromising. He will be missed in RAF and rugby football circles and in this country and many rugby playing countries throughout the world.

SIR EDWARD HANMER

Lieutenant-Colonel Sir Edward Hanmer, 81, died on New Year's Day at the age of 83. He was the 7th Baronet. Educated at Wellington College, he served in the First World War in the Shropshire Yeomanry and the Royal Air Force, flying over 100 bombing sorties against enemy targets in Ostend, Bruges and Zebrugghe. Later he was a JP for Flintshire, which county he became High Sheriff in 1931. On his estate in the Marches he had a stud and cattle farm and was Master of Sir W. W. Wynne's Hounds from 1946 to 1953. A devotee of the turf he was a member of the Jockey Club and the National Hunt Committee and was Senior Steward at Haydock Park from 1923 to 1953. He was also a well known owner and had won the Park Hill Stakes with Fury; the Manchester Cup with Moneybox and two successive National Hunt Handicap Steeplechases with Teme Willow. His best win was with Royal Frolic—trained by Fred Rimmel—in the Cheltenham Gold Cup, last March.

He married, first in 1921, Aileen Mary, elder daughter of Captain J. E. Rogers. They had one son and three daughters. His first wife died in 1967 and he married, in 1968, Mrs Angela Mary Bromley, widow of Richard Nightingale Bromley. His son, John Edward Wyndham Hanmer, succeeds him.

MR P. H. G. H-S. HARTLEY

Mr Percival Hubert Graham Horton-Smith Hartley, OBE, who died in a London hospital on January 3 at the age of 80, was one of the best-known and loved figures in the world of Shropshire Yeomanry. After serving with the Coldstream Guards in the First World War he stroked the Cambridge University Services crew at the Henley Peace Regatta in 1919, and went on to stroke the university crew to three successive victories in the Boat Races of 1920-22. He also won the Grand Challenge Cup at Henley, with Leander club, in 1922, and became a Steward of the Regatta in 1948.

Hubert Hartley was a member at Eton from 1922 until 1925, and a housemaster at Eton until 1957. During the Second World War he served on the staff, and later with military government in Italy, being made OBE in 1945. He was Master of the Ironmongers Company in 1953-54.

SIR JOHN SIMPSON

Sir James Pitman writes:
More ought to be recorded of Sir John Simpson's contribution to the success of *Organization and Methods in the Civil Service* and to the fact that his contribution from the Treasury from 1944-53 led to the "sincerest form of flattery" which local government and private enterprise subsequently paid by their ever widening adoption of his ideas. It was the proliferation of the underlying wisdom which caused O & M to be made welcome by line management, as being no interference with line authority, but rather an effective service by staff officers having a very wide experience and above all, understanding.

First as deputy director and then as director he brought from his already wide experience in the Civil Service all that respect which he enjoyed from the Permanent Secretary and the chief establishment officers in many departments. At all levels he emanated grounds for confidence that the advent of an O & M team was a happy event to be valued.

He and I overlapped and I had thus occasion to admire and applaud. In retrospect, the Civil Service and the Management Services of the Civil Service Department of today have had good cause to do likewise.

Main Rousseau Bocher, the dress designer who created the wedding gown of the Duchess of Windsor, has died in Munich at the age of 86. Mainbocher, who was known professionally as Mainbocher, had his own design house in the United States and had created, among other women's wear, the uniforms for the United States girl scouts and the United States Women Marine Corps.

Mr Gabriel d'Arboussier, a former Minister of Justice of Senegal, has died at the age of 68. He had also been Ambassador in Paris and was previously secretary-general of the Rassemblement Democratique Africain.

It's a BOAT SHOW '77

EARLS COURT 6th/16th JANUARY

The 23rd London International Boat Show is a real summer tonic in the middle of winter. In a setting of sea, sun and sails, it's like a trip to the coast; for this marine wonderland of boats, equipment and accessories, finds its harbour theme at the exciting new boating and leisure centre of Brighton Marina. It's a gateway place for everyone, a perfect haven for boating with features of interest for all the family.

Open every day! Weekdays 10am-5.30pm. Saturdays and Sundays 10am-7pm. Admission: January 6th and 7th £2.00. All other days including 14th day free. (All prices include VAT). Presented by the SBBN & DAILY EXPRESS

Church news

New bishop suffragan

Casson A. C. Dumper, Vicar of St Peter's, Stockton, diocese of Durham, has been appointed Bishop Suffragan of Dudley, diocese of Worcester, in succession to the Right Rev M. A. Mann, who was appointed Dean

25 years ago

From The Times of Friday, Jan. 4, 1952.
Madrid, Jan. 3.—The imminent signing of a bilateral pact between the United States and Spain is heralded today by the three Madrid morning newspapers. The strength of a statement which Mr Paul Porter, acting head of the Mutual Security Agency in Europe, gave to American correspondents during his three-day visit to Madrid at the new year. The arrangement to have both economic and military aspects. After approval by President Truman and General Franco (who is known to have rejected any suggestion of political conditions) the arrangement could come into force within 90 days after the first grant from funds believed to amount to \$100m—the figure proposed by Senator MacCarra—could be made available to Spain. The American plan to assist Spain as a junior partner in western defence is described as an alliance for mutual aid, and credit is given to the Spanish for his "personal assistance without placing a mortgage on his people's political freedom."

La Scala opera on TV

The premiere of a new production of the Italian opera *La Scala*, Milan, on the Eurovision link on BBC2 on January 18.

Output of ITV doubled

Weekly transmissions by the average independent television company have doubled in the past 20 years to nearly 93 hours. "Informative" programming, that is, news, current affairs, adult education, religious and children's programmes, came to 39 per cent of the total as against 19 per cent in 1956.

A review of the first 21 years of independent broadcasting appears in the Independent Broad-

Science report

Surveying: Tunnel for accelerator

The new particle accelerator just brought into operation at the European centre for nuclear research (CERN), near Geneva, is not just pushing back the frontiers of physics. The tunnel in which it is housed has called for hitherto unheard-of precision in surveying and drilling. In a recent report Dr J. Gervaise, of CERN's survey group, has described how such high precision was achieved.

Ever since Roman times tunneling has required great skills in surveying and civil engineering. Present-day practice in making roads tunnels, for instance, calls for different sections to join with a tolerance of less than a centimetre. The proton accelerator at CERN, which had to be even more precisely constructed. Housed in a tunnel that is circular in plan, covering a radius of 1.1 kilometres, the accelerator is under gently undulating terrain. The tunnel itself is 6 metres in diameter and more than 2,000 metres long. It is to be constructed by a method of tunnelling which uses a large diameter and more than 2,000 metres long. It is to be constructed by a method of tunnelling which uses a large diameter and more than 2,000 metres long.

The deviation in the vertical plane was not permitted to exceed 0.15mm, and in the horizon-

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Oil groups ready to cut purchases from higher-price Opec countries

By Roger Villalovos
Energy Correspondent

Oil buyers are ready to reduce their commitments to take crude from the 11 members of the Organisation of Petroleum Exporting Countries (Opec) which increased their prices by 10 per cent on January 1.

Mr. Abdul Musabeh Kazem, the Kuwaiti Oil Minister, said yesterday that buyers of Kuwait oil had asked the Government for reduced quantities in 1977.

Speaking on a Qasr radio, broadcast in Cyprus, he said he was considering what action to take, particularly in cases where the buyers had contracted to buy specific quantities.

"We must not act hastily," the minister added. He did not identify the buyers who wanted to reduce purchases.

British Petroleum, one of the biggest buyers of Kuwait oil, is sending a team from Britain to Kuwait next week to discuss the amount of oil it will still during the first quarter of this year and the second quarter of 1977.

BP and Gulf were both given permission to increase their lifelines in the final quarter of 1976 to enable them to build up stocks before the January 1 price rise. However, this was done on the condition that they did not allow their purchases to fall in the first half of 1977.

The talks are clearly important, since this undertaking was given when none of the companies even dreamed of a two-day pricing system that would force Kuwaiti oil market expenses to be shared with other Opec countries.

Oil industry sources said they expected other countries which increased prices by 10 per cent to face similar requests for a reduction in the amount of oil purchases, provided that Saudi Arabian production was increased to more than 11 million barrels a day, as expected.

Exxon, Mobil, Texaco and Standard Oil of California, the companies with access to Saudi oil, are already coming under pressure, particularly from Japanese buyers, to replace deliveries of Iranian oil with cheaper Saudi supplies.

The Department of Energy is to hold meetings this week with companies producing oil from the North Sea to discuss the effect of the Opec rises on the price of United Kingdom oil.

BP confirmed yesterday that it will transfer its loss-making Aken refinery to the South Yemen Government in May. In return the company has gained a concession to develop and operate a 7.5 million ton a year capacity plant on behalf of the Government.

The refinery was built in 1954 at a cost of £50m.

Bank union challenge on profit sharing

By Christopher Thomas
Labour Staff

Two English clearing banks face a possible challenge under the Employment Protection Act if they fail to give an early commitment to introduce a profit-sharing scheme.

The action would be taken under the Employment Protection Act, a new measure aimed at creating similar pay and working conditions among comparable workers in the same districts.

The National Union of Bank Employees is to consider a Schedule II application against Lloyds and Midland if there is not an early response to demands for a profit-sharing scheme in line with Barclays, National Westminster and Williams & Glyn.

The schedule may also be used by NUBE to seek rises in some foreign banks operating in Britain, notably the Indian and Pakistani banks which, said Mr. Leif Mills, general secretary of the union, pay less than that regarded as the market rate.

"We took a claim against the National Bank of Pakistan under the Terms and Conditions of Employment Act, but did not get very far. We may now be able to do something under Schedule II."

A spokesman for Midland Bank said last night: "Profit sharing is under active consideration, as the unions know." Schedule II applications will be considered at the appropriate time.

Optimism pushes shares up sharply

By Our Financial Staff

New Year optimism moved shares sharply ahead on the stock market in London yesterday. By the close of trading the FT Ordinary Share Index, although below last year's level, was still 59 points at 360.6, its highest level for more than four months.

There was an impressive demand in the pre-lunch session but because of a lack of follow through and some light profit-taking most prices had been clipped back by the end of the day. Nevertheless, a good number of price recommendations and a shortage of stock, second-line issues led the way in early trading with the "blue chips" slow to respond. But once the leaders started to move they soon outstripped the rest of the market and attracted most of the attention.

The main exceptions to the trend were North Sea-related issues which continued their pre-Christmas strength. BP, additionally helped by United States having had a spectacular day ending up to a best-year 84p.

Engineering, electrical, stores and food retailing shares were also in demand and scored some double-digit rises. With food prices expected to rise about 20 per cent this year analysts are forecasting a good month for the sector and its rating is proving to be a market feature at the moment.

As well as giving a boost to the fixed-interest market, the prospect of still lower interest rates helped banking and property shares even though the best levels were not held.

The optimistic were talking freely of a return to the "bull" market. But there is a more cautious school which considers that the market is highly susceptible to adverse factors and that it will need more solid evidence of economic progress to start a sustained advance.

An encouraging factor has been the reappearance of overseas, particularly American interest, in "blue chip" and oil stocks and the "bulls" point to this as evidence of a growing confidence.

The prospect of lower interest rates led to renewed buying of Government stocks. The short "tap" of Exchange 13 per cent 1980 was quickly exhausted, confirming estimates that most of the £800m issued in November had been sold by the end of 1976. The new long "tap" issued at 15 1/2 per cent and dated 1986 also sold well. Market estimates suggest that of the £750m on offer, about £150m was sold to the public on issue last Friday. A further £50m seems to have been sold yesterday morning.

Market interest in these and other Government stocks was increased by strong rumours that the Bank of England Minimum Lending Rate would fall to 14 per cent on Friday, down from its present level of 14 1/2 per cent. Such a drop might well lead to a fall in clearing bank rates, which could help the economy generally.

Financial Editor, page 16

LAING THE COMPLETE CONSTRUCTION SERVICE

Making up lost time in digital watch market

Trafalgar Watch, the north London-based company which claims that last year it cornered half the British market in digital electronic watches, is expanding its production by a third later this month with the aim of achieving a totally British sourcing for a new generation of electronic watches.

It could be a perilous step into deep technological waters, for until now it has been the United States semi-conductor giants which have dominated the production of certain key parts for digital watches.

The only other domestic producer of electronic watches, Sinclair Radionics, ran into technical problems in recent months, although these are now said to have been ironed out, and production back to normal. Sinclair was recently given a cash injection of £650,000 under a National Enterprise Board deal after the company's losses last year of £355,000.

Trafalgar Watch, Britain's largest distributor of low-priced traditional Swiss watches, has so far assembled digital watches by using bought-in parts from abroad. It achieved volume by selling at low prices through mass outlets on the high streets instead of traditional jeweller outlets.

The other main thrust in the United Kingdom market for electronic watches, which is estimated to have run to one million units last year, came from the American semi-conductor companies which started the mass production, low-priced digital watch revolution. Mr. Willy Herrmann, Trafalgar's chairman, is a one-time jeweller trade wholesaler who started watch production in north London seven years ago by assembling mechanical watch parts from Switzerland. In digital watches the company has so far been producing only LED versions.

These rely for their time display on light emitting diodes. Because LED displays use up considerable battery power, a constant display is impractical, so the time in hours, minutes and seconds—plus day and date on most models—is brought up momentarily by the push of a button or by entering an instant switch at the shake of the wrist.

The new generation of electronic watches are those using an LCD, or liquid crystal display, system. A constant display is possible because there is much less drain on batteries. But until now such watches have been selling at the upper end of the market, the cheapest in Britain retailing typically at £39 compared with £13 or sometimes lower for LED watches.

Later this month Trafalgar plans to bring out new batches of its LCD, five-function digital, expected to retail at £22.50.

Components, including the integrated circuits, are planned to be turned out in north London where the production capacity will involve a 50 per cent increase in the workforce. For a short time quartz crystals are to be bought in from RCA Corporation.

Mr. Herrmann's forecast is that LED prices will stabilize by March but that LCD models will continue to come down in price. He expects two million digital watches to be sold in Britain this year.

Trafalgar have plans for a further step forward, with production beginning in the summer of analog electronic watches. These have the innards of the digital watch but, via a small step-motor, a traditional face, with hands, is operated.

Mr. Herrmann, who expected to go from a 1976 turnover of around £6m to some £10m in 1977, believes, like other major electronic watch manufacturers, that by 1980 the watch market in Britain—currently 14 million watches a year—will be split half and half between electronic and mechanical watches.

Derek Harris

BP buys stake in ocean mining

By Desmond Quigley

British Petroleum has taken a 10 per cent stake, for between \$3m (£1.75m) and \$5m, in a major deep sea mining project as part of a new venture into deep sea exploration.

The interest has been acquired from Rio Tinto Zinc, which previously had a 20 per cent holding in the International Seabed Development Corporation, a consortium developing methods of recovering manganese nodules from the Pacific Ocean at depths between 12,000 and 20,000 feet.

It is understood that the consortium, headed by Kennecott Copper, with 50 per cent, and including Consolidated Gold Fields with 10 per cent, has already spent up to \$50m in exploration and development costs. BP is essentially paying £12.10 per cent of these costs.

The formation of BP Minerals, which was disclosed by Business News last month and officially announced yesterday, is part of a programme of structured diversification which BP has been following since the 1973 oil crisis.

BP is seeking further joint venture mining ventures, and over the next few months will be talking to mining finance houses, including RTZ, again.

In its first venture, BP is joining early what is seen as a significant new source of several minerals, including manganese, nickel, copper, cobalt and molybdenum.

However, BP does not expect commercial production to begin before about 1985 because the technological and logistical problems are formidable and international agreement has yet to be reached on the Law of the Sea.

RTZ, which joined the consortium in 1974 after Kennecott decided to bring in outside partners, reduced its stake to 10 per cent because of the long-term nature of the project and its very high risk.

RHM to pay \$23m for US food group

By Our Financial Staff

Ranks Hovis McDougall is to pay \$23.1m (about £13.6m) for an American food manufacturer, Red Wing, just a few months after taking a majority stake in another American food concern for an undisclosed figure.

The latest acquisition is RHM's largest single investment in the United States, and is part of a continuing search for suitable acquisitions there.

Red Wing, which manufactures tomato products, peanut butter and other preserves, is geographically close to Glaxo Macaroni, of Buffalo, in which the group has a majority holding in August—well as being partly complementary in products.

RHM said yesterday that Red Wing had increased pre-tax trading profits from \$2.2m in 1972 to \$5.1m last year. RHM is buying out the private company's shareholders, who have agreed to the bid, at approximately nine times net earnings.

Red Wing's net assets had a book value of about \$8.9m last year, but RHM is to have the assets independently assessed, which is likely to show a substantial revaluation.

In the latest RHM annual report published yesterday, Mr. Joseph Rank, chairman, said that results for the current year were ahead of last year. However, because of the uncertain economic conditions in Britain and the problems facing the bread industry, he declined to make a profit forecast.

More departures expected soon at British Shipbuilders

By Peter Hill

Further resignations by staff of the organizing committee of British Shipbuilders are expected to be announced next week.

The delays to the Government's controversial Bill for the nationalization of the shipbuilding industry, which have already led to the announced resignation of Mr. J. Graham Day, chief executive designate of the planned new state body, have created problems for ministers.

Mr. Varley, Secretary of State for Industry, met several members of the organizing committee before Christmas in the wake of Mr. Day's resignation to establish whether they were prepared to stay on.

Their replies are expected to be given to Mr. Varley in the next few days, after talks with Whitehall officials over the committee's future.

All the staff concerned occupy key positions. They are Mr. Peter Mills, the director in charge of corporate strategy and Mr. Day, a Canadian; Mr. Pat Griffiths, who has been concerned with financial affairs, and Mr. Tony Peers, industrial relations director.

Against the background of the worsening world crisis in shipbuilding and the possibility of further delays to the Bill, the Government is looking for someone to succeed Mr. Day, and has also prepared contingency plans for the establishment of a state holding company which could be brought into existence before nationalization.

Mr. Michael Casey, under secretary in charge of shipbuilding policy at the Department of Industry, is being strongly tipped as the man who may be appointed to take over as chief executive, although initially this could be a post with a new state holding company.

Details of any new appointments are expected by about the middle of this month, but the Government is expected to wait until parliamentary examinations have pronounced on the alleged hybridity in the Bill.

Submissions to the examiners will resume again next week, and their decision is expected the following week. If they decide that the Bill is hybrid a Lords committee will be constituted to listen to further evidence which could take several months.

Creation of a state holding company—which has been mooted for some weeks—would enable the Government to form a new company which would take in the existing state-owned shipyards of Sunderland Shipbuilders and Govan Shipbuilders on the upper Clyde, together with the 30 per cent state-owned Cammell Laird Shipbuilders.

The state holding company would have legal backing, which the organizing committee lacks, and would be able to spearhead a marketing policy for the industry in cooperation with those yards still in private hands.

It could also be used as the vehicle for adding other companies which encountered difficulties. Mr. Casey would be ideally placed to take on the job of running the new organization in view of his close association with existing state-owned companies in his present post.

Renewed confidence lifts pound

Sterling continued to strengthen yesterday, closing at \$1.7085, up just over half a cent from the level at which it closed on Friday.

Its effective depreciation against a basket of currencies in British major trading partners was unchanged at 44.1 per cent.

A combination of weakness of the dollar and renewed optimism after the formal approval of the International Monetary Fund loan kept confidence in sterling high. The United Kingdom is expected to make its first drawing of \$1,150m (about £700m) within the next week or so, which will be used to build up reserves to cover the expected deficit in the early part of 1977.

The borrowing will not appear to reserve figures in the published accounts. These will show the position at the end of December, and are likely to be affected heavily by the repayment of the \$1,600m drawn from the special standby credit arranged during the summer of 1976.

Foreign exchange markets are still hopeful that agreement will be reached fairly soon on a support scheme to protect the United Kingdom from sudden withdrawals of the sterling balances.

This is to be discussed next week at a meeting of central bank governors in Basel at the Bank for International Settlements. The foreign exchange markets seem to be hoping for agreement at that session.

Completing agreement on a scheme to deal with the problems of the sterling balances would round off the package of measures which the Government has negotiated to put the pound on a stronger footing.

Survival plan outlined for building industry

By Malcolm Brown

House builders could face a severe slump this year, Sir Derek Walker-Smith, chairman of the National House Building Council, said in London yesterday.

Disclosing that returns from the council's inspectors showed that 150,500 new homes were completed last year—starts were running at around 149,000—Sir Derek said that these levels, while about the same as 1975, were well below the 200,000 units a year usually regarded as the traditional minimum capacity of the private housing industry.

What now concerns us all is whether even the relatively modest figures of 1976 will be matched in 1977. All of you know of the shortage of building society funds, and of fears that private housing output this year may slip to 120,000 units or even below this figure."

This could seriously impact the industry's capacity for years to come, add to unemployment and cause prices to soar, said Sir Derek. He was speaking at the publication of the text of a memorandum sent to Mr. Peter Shore, Secretary of State for the Environment, urging the Government to adopt a minimum survival programme for the private housing industry.

The memorandum says that it is possible that, if no action is taken, private housing starts and completions could fall to 100,000 a year or even less by the middle of next year. A cut to below 100,000 units a year would make up to 100,000 unemployed, says the paper.

The plan put forward had three main elements. First, the council says, there should be support for the building societies in lending to new houses. Finally, if interest rates do rise, Government subsidy or loans, or low start mortgages should be given to help young people meet mortgage payments on new homes in the early years.

When the building societies meet on January 14 to discuss interest rates, said Sir Derek, they would weigh carefully whether the recent reduction in minimum lending rate and any similar reduction which might occur in the near future, would be sufficient to bring in the funds now urgently needed.

"If it would not then, we hope that building societies will not refrain from putting rates up or from raising special loans for newly built housing and that they and the Government will then consider together what measures can be taken to alleviate hardship both among those who have recently taken on new mortgages and particularly among those who are buying newly built houses."

The third part of the strategy must be to ensure that if interest charges do go up people of average income or a little below could afford to buy newly-built houses.

He suggested such subsidies could, perhaps, be repaid from any capital gain made when the owner sold his house.

Christopher Thomas writes: Thirty countries will this month tackle the range of problems which have beset the construction industry and draw up policy advice in two main areas—job and pay stability, and training of managers and workers.

The move is to be taken at the ninth session of the Building, Civil Engineering and Public Works Committee of the International Labour Office in Geneva from January 12-20.

£150m Brazil funding backed by ECGD

A £150m financial agreement, providing funds for construction work, has been arranged by Morgan Grenfell. The deal will be the second biggest to get the backing of the Export Credits Guarantee Department. The biggest was a £125m loan for a Polish PVE. The funds will be provided by the London and Scottish clearing banks.

The agreement, signed with Aco Minas Gerais (Acominas), will cover contracts to be completed between Davy Ashmore International and Acominas worth £215.6m for the construction of an iron and steel plant in the state of Minas Gerais.

The loan is a sequel to the state visit to Britain by Brazil's President Geisel in May last year, when a memorandum of understanding covering finance for the project was signed with a group of European companies and banks led by Davy and Morgan.

The overall cost of the project has been put at about \$1,800m (£1,060m). In addition to the British export credit now concluded, similar credits are expected to be completed shortly in West Germany and France. Morgan is also in the process of arranging a Euro-currency financing running in to hundreds of millions of dollars for the project.

Stores report heavy sales business as buyers dip into savings to pay for goods

By Our Commercial Staff

The winter sales are now in full swing, with first reports indicating a substantial volume of business.

Exceptional trade is being reported in central London, which enjoyed a foreign tourist boom before Christmas, but there are also optimistic reports from many provincial centres.

Indications are that savings are now being dipped into further, and various forms of credit being heavily used to pay for the heavy buying.

But there are already signs that spending on food is declining further. Bookings for foreign holidays are also still well down—a minimum of 25 per cent below last year was a common estimate yesterday.

Retailers of all types are reporting a good start to the sales. There has been particularly good trade in household linen, china, glassware and other household goods.

Men's and women's fashions are also doing well and, to some traders' surprise, so are electrical goods, despite heavy buying in anticipation of a VAT increase in mid-Budget.

Selfridges, which started its sales last Thursday reported that value of trade was up by 47 per cent on the comparable day last year.

The impetus appears to have been maintained for the rest of the week except Saturday which was below last year's level for new year's day last year.

The store estimates that about 20 per cent of its taking came from foreigners, with much of the remainder coming from shoppers making special trips from the provinces during the holiday.

The John Lewis Partnership said it had experienced similar increases to Selfridges in its Oxford Street branch.

Dixons Photographic said it was "genuinely amazed" at the level of trade achieved both during the post Budget Christmas period and in its sale which started on Monday.

Outstanding sales had been achieved for some products such as video games, but apart from this one item there were no difficulties in obtaining stocks.

Dixons had noticed that the rate of increase in the use of credit cards had speeded up during the past three months. Credit cards were replacing cash purchases as well as cash as a method of purchase.

Gurray's, the country's largest electricals multiple, says its sales have "started very well" with heavy trading at most of its branches and the public taking whatever is available.

C & A Modes, the fashion clothing chain, reported sales of British major trading partners was unchanged at 44.1 per cent.

In the toy trade central London sales appear to have been exceptional. Hamleys believes their sales could well turn out to have been as much as 40 per cent up.

But Redcats at Sheffield, the main north of England toy retailer, estimates a 4 per cent to 5 per cent drop in sales volume.

Bargain conscious shoppers have covered provincial shopping centres in the week since Christmas, especially boosting sales of high quality goods from leather suits to expensive hi-fi equipment, said Mr. Les Semey, director general of the National Chamber of Trade.

Birmingham stores reported record takings. Mr. Cliff Palmer, general manager of Rackham's, part of the House of Fraser, said yesterday there had been "an unbelievable week's trading starting on the Wednesday following Christmas."

Mr. G. W. Hulse, secretary of Birmingham Chamber of Trade, said clothes, domestic durables, and luxury items were snapped up.

Sales turnover in Newcastle upon Tyne was boosted by an influx of Danish and Norwegian shoppers taking advantage of the devalued pound.

How the markets moved

Rises	Falls
BP 30p to 84p	RE South 10p to 90p
Douglas RM 13p to 57p	Coral Leisure 4p to 10p
Finlay J 13p to 167p	Groceries 3p to 72p
Hamlyn Life 12p to 185p	Hong K & Shang 3p to 57p
Hawker Sld 12p to 46p	Lyndeburg Flat 4p to 70p
Lep Grp 20p to 118p	Marvalee Con 9p to 67p
Messina Trans 10p to 155p	Moran 6p to 124p

Rises	Falls
Myson Grp 8p to 64p	Nthgate Explor 18p to 40p
Oil Exploration 10p to 105p	Osborn 2p to 44p
Royal 14p to 294p	Record Ridgway 2p to 55p
Sun Alliance 15p to 385p	Siege Gorman 2p to 115p
Tube Inv 10p to 51p	Spencer Ind 1p to 28p
Vickers 6p to 151p	Stutcliffe S'man 1p to 28p
Weyburn 10p to 36p	Vaux 3p to 230p

The Times index: 152.33 + 2.52
The FT index: 360.6 + 5.9

THE POUND	Bank buys	Bank sells
Australia \$	1.62	1.57
Austria Sch	29.75	27.75
Belgium Fr	63.00	60.00
Canada \$	1.76	1.71
Denmark Kr	10.15	9.75
Finland Mkt	6.50	6.35
France Fr	8.65	8.33
Germany DM	4.17	3.95
Greece Dr	74.00	70.00
Hong Kong \$	9.38	7.85
Italy L	1335.00	1465.00
Japan Yn	520.00	495.00
Netherlands Gld	4.32	4.10
Norway Kr	9.06	8.70
Portugal Esc	57.50	53.50
S Africa Rd	4.04	3.80
Spain Pes	119.75	112.00
Sweden Kr	7.28	6.93
Switzerland Fr	4.32	4.10
US \$	1.75	1.70
Yugoslavia Dn	35.00	32.50

Gold closed at \$135.50.
SOL-E was 1.16512 on Monday, while SOL-E was 0.88387 on Thursday.
Commodities: Coffee prices fell sharply. Reuters' index was at 1384.5 (previous 1358.8).
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Devenish

Brewers—Weymouth & Redruth

Highlights from the statement of the Chairman of J. A. Devenish & Company Limited, Mr. A. C. Ledger Hill, O.B.E., D.L., for the 53 weeks ended 1st October, 1976:

* Pre-tax profits increased by over 10% to £1,167,943. Proposed final dividend of 14.6% makes year's total 21.1% (1975—19.2%).

* Increased demand for traditional draught beer and Viking Lager but bottled beer sales declined. Jester minerals continue in popular demand.

* One new pub bought and a freehold purchased. Uneconomic houses continue to be sold. Savings already evident from re-organisation of storage and handling facilities in Cornwall.

Results at a glance	1976	1975
Group Profit before Taxation	£1,167,943	£1,053,246
Group Profit after Taxation	£648,919	£561,691
Available for Ordinary (after extraordinary items)	£622,984	£625,085
Total Ordinary Dividend	£194,978	£176,602
Profit retained in the Company	£428,006	£448,483
Earnings on £1 Ordinary Stock	68.8p	58.71p

CBI's 'action programme' out this week

The Confederation of British Industry is to publish its "action programme" for 1977 later this week.

The document, which will, in effect, be the confederation's policy manifesto for the next year, will state the priorities on which industry wants to see action taken.

Among subjects expected to figure in the action programme are pay policy and worker participation.

CBI leaders have made it clear that they will regard the action programme as a benchmark against which the CBI's success as industry's negotiator and spokesman should be measured.

450 walk out at Cammell Laird

Only hours after returning from a 10-day holiday shut down, workers at the Cammell Laird shipyard in Birkenhead walked out on strike yesterday.

The stoppage, by 450 members of the boilermakers union, threatens to make nearly 5,000 other manual and staff workers

Brockhouse Limited 1976 at a glance

Results to 30th September	1975	1976
Sales	up from £57m	to £59m
Profit before tax	up from £2.70m	to £3.02m
Profit after tax	up from £1.16m	to £1.37m
Profit retained	up from £0.12m	to £0.69m
Dividend per share	up from 2.9494p	to 3.2443p
Dividend cover	up from 1.24	to 2.26
Earnings per share	up from 6.72p	to 7.96p

The Chairman, Mr. A. C. Darby, in his statement to shareholders writes:

Capital Expenditure. Total incurred during the year was over £2m. For the current financial year we have already approved expenditure of £2 1/2m.

Potential. I have chosen this heading in preference to "Prospects" because while I can form a view of the efficiency of our plant and of the abilities of our people, I am unable to peer through the politico-economic fog that envelops the whole land. We have both the people and the material to take full advantage of our opportunities. So the potential is there. Our ambition now is to produce results worthy of it.

BY THE FINANCIAL EDITOR

Alternative views on the bull market

Predictably enough, the equity market made a cracking start to the New Year: it had after all been hard to uncover a bearish word amid all the Christmas and New Year puns. But volume yesterday, if reasonable, was nothing to shout about, prices failed to hold their best levels and those who see the main gains in the equity market coming only later in the year remained stoically unmoved by the rapid marking up of prices during the morning.

This last point brings one back to the key issue of timing. The reasons for taking a reasonably bullish view of the year as a whole have already been set out in an earlier column. But when should one be in and out of the market?

One fairly widely held view in the market is that equities have already risen sharply extremely quickly—the FT 30 share index is up by close on 100 points, or a third, in just 10 weeks—that most of the imminent good news has already been discounted, that the reverse yield gap is still high, that the gilt remains the major attraction, and that the short-term economic problems in the first half of 1976 have tended to be glossed over in the recent euphoria.

In short, be prepared for a reaction in prices and some temporary upsets in sentiment. Leave any talk of the FT index at 400 and above until the second half of the year when the market should be riding on a steadily improving balance of payments position.

An alternative view is that the market will once again move away ahead of events, not least if a sterling safety net is quickly sewn up and, whatever public noises are made, the market during the preliminary skirmishes, if an acceptable framework for the next year round can be established ahead of the Budget.

Given these, together with continuing strength in gilts, one might instead have an equity market that performs strongly in the first half of the year and then begins to doubt that any fresh momentum in the world economy can in fact be sustained for long without an upturn in inflation and interest rates.

The Government's strategy on gilt sales and the corporate sector's stance on rights issues as we move into the year-end results season will undoubtedly play their parts, too, in the stock market behaviour would tend to favour the latter scenario.

THE After the re-rating

Purchase of Lyons's hotel interests, the proposed withdrawal from Thomas Cook and probable sale of most of its slide activities are part and parcel of Trust Houses Forte's ongoing strategy of concentrating on its hotel operations where after the icy blasts of the last couple of years there are now good prospects that the shortage of capacity will seriously hinder growth into the early 1980's.

Yet over the last three months the shares have jumped almost a third to 114p yesterday. Prompting this rapid re-rating has been the realization that THF's operating and financial gearing was starting to work in its favour now that hotel occupancy rates had started to pick up and interest rates were on the way down.

The question now of course is the extent to which the brighter outlook is discounted in the current share price. My guess is that THF probably still has some way to go but probably not as far as some of the optimists expect. Certainly, counting against

THF is the fact that its catering and leisure interests are unlikely to make up much ground with discretionary spending remaining under pressure this year.

But the market has yet to assess fully the contribution the Lyons hotel interests will make to profits. Meanwhile, the upturn in occupancy rates both in London and the provinces will only start to come through strongly in current year profits which may well take profits up to about £23m that will be reported in the year to last October.

At the same time, while the group's high level of overseas debt—less than a third of its £171m loans were in the United Kingdom last year—has

The best and worst performing sectors in 1976

Sector	% change
Time	+42
Oil	+26
Rubbers	+26
Toys & Games	+21
Newspapers, publishing	+19
Teas	+15
Food	+15
Motor distrib	+10
Insur brokers	+10
Electricals	+8
Shipping	+8
Chemicals	+6
Engin (heavy)	-1
Engin (light)	-1
ALL SHARE INDEX	-15
Banks	-15
Hire Purchase	-15
Pack & Paper	-18
Comp ins	-18
Office Equip	-18
Property	-20
Life ins	-20
Building Mats	-24
Textiles	-24
Household goods	-30
Contracting, Construction	-34
Mining Finance	-38
Merchant Banks	-43
Coppers	-43

made it vulnerable to sterling's decline, gearing has improved slightly thanks to the rights issue and will be further improved by the proceeds from the sale of Thomas Cook and the few million that will be received from the sale of other assets.

Williams Hudson Shareholders can't refuse

Shareholders have not had much cause to love Williams Hudson since the shares stood at a 1973 "high" of 212p, and may again feel concerned about the action of Argo Group, which has held effective control since 1974, in bidding just 25p a share for a group showing net worth of 67p a share in the last balance sheet.

Opportunities though the bid looks, however, the alternative of sitting tight, most particularly now that Argo has raised its stake from 46 to just over 50 per cent, is not attractive.

To recap, Williams Hudson has recently sold off its shopping fleet at a profit of £2.1m, the result being a drop in indebtedness of £30m. But even after adjusting the balance sheet for this important piece of debt, it is plain that the company is still badly in need of new capital.

Net borrowings appear to be around £23m compared to £9.1m of shareholders funds (equal, incidentally, to 80p a share) and the board has already said it intends to raise the issued share capital by £10m, presumably through a rights issue. The disastrous experience of the Vickers stake, sold at an estimated loss of £3m, the collapse of Veneta International, the mystifying purchase of a stake in Pleasuremax and, ultimately, last year's net loss of £4.1m, shareholders might be less than enthusiastic

about the prospect of putting in new funds.

But the real problem is that, with the group capitalized at only about £2.5m before the bid, even substantial rights issue would do little to resolve the underlying gearing problem.

Nor is there much to look for in profit terms. The recent rise in interest rates, even on the reduced borrowings, will knock a nasty, if not total, dent in current year trading profits, and of course shipping profits will be affected by the disposals.

The case for shareholders to take the offered 25p while they can thus looks to be powerful, although a decision should be deferred pending the advice of an independent merchant bank which is being prepared for outside shareholders. The serious reservation revolves around whether the gearing problem could alternatively be resolved by yet further disposals and whether Argo Group, once in complete control, intends to take precisely this route.

Profits A mixed outlook

Recent euphoria in the stock market has, for certain, had nothing to do with the outlook for company profits in 1977, which is universally acknowledged to be dull. Since world trade is still depressed and likely to respond only slowly to any stimulus from the incoming Carter administration in the United States, demand will continue sluggish; price controls will limit margins growth at home; and since the pound is expected to be less susceptible than formerly to every sale on the currency markets, the current account deficit is narrowed by North Sea oil, last year's gains on the conversion of overseas profits into depreciated sterling are not likely to be repeated.

So most City analysts are now going for an average improvement of around 12.5 per cent at the earnings level in this, presumably for many companies the last period for the presentation of historic cost figures, ahead of the introduction of current cost accounting next year.

Within that somewhat uninspiring framework certain sectors can be expected to produce much more promising results. Thus the oil companies, thanks principally to the benefits BP will be deriving from the North Sea, are likely to be producing aggregate profits spectacularly higher—estimates of how much range between an 80 per cent and a 100 per cent increase. A lot of that, however, is reflected in the BP share price already; and there is still the placing of part of the Government's stake to inhibit any further progress.

Composite insurance companies' profits, too, are likely to show rapid growth, of perhaps 40 per cent, on a cyclical recovery in underwriting and continuing strong growth in premium income.

Banks, on the other hand, may find their profit growth constrained by the consequent loss of the likelihood that interest rates will fall.

The capital goods sector, too, is obviously in for a tough time, with orders running thin at this stage of the cycle, and any competitive advantage derived from the weakness of sterling likely to be running out if the pound steadies.

Prospects of a recovery in world trade should have companies such as the shipping majors and others with big overseas sales contentiously pushing strongly ahead. But if that recovery is likely to be delayed then companies with a high United Kingdom content, slighted last year as investors went for the sectors to benefit from the sterling slide, could come into their own again.

They did not need a computer to pick Jim Merriman as Sir Robert Cockburn's successor as chairman of the National Computing Centre when the latter retires in April.

Personal pilot

The destination of the RAF's Belfast Belfast is now up for sale remains to be seen: not so that of Don Wright, a man who had much to do with getting them off the ground.

Wright, the retiring chief test pilot of Shorts, the Northern Ireland aerospace company which made the Belfast, is off to be personal pilot to Prince Mohammed bin Faisal al Saud, brother of the Saudi Arabian monarch, King Khalid and his country's Minister of Desalination and Water Resources.

Wright is probably unique among British test pilots in holding a master mariner's ticket. He trained as a merchant navy cadet and was first mate on a tanker before joining the RAF in 1953.

He flew Canberra bombers and was an experimental test pilot at Farnborough before joining Shorts 13 years ago.

In 1969 he became chief test pilot at Belfast harbour airport manager. In his 13 years he handled much of the flight development of the RAF's Belfast strategic freighters and the widely sold Skyvan. More recently he has led flight development of the new SD 330 commuter airliner which he took up on its maiden flight in 1974.

Wright is awaiting orders in his Belfast home ready to ferry Prince Mohammed's new HS 125 eight-passenger twin-jet to Jeddah where he will be based. Now being made ready

Business Diary: Merriman's posting • Prince over the water

They did not need a computer to pick Jim Merriman as Sir Robert Cockburn's successor as chairman of the National Computing Centre when the latter retires in April.

Merriman, the Post Office Corporation's board member for technology until his own retirement on New Year's Eve, has known Sir Robert for more than 20 years. They came across each other when Merriman, who has been with the Post Office for 40 years, was working on Goughnill, the earth terminal of Britain's space communications link through which we now see television programmes relayed by satellite.

Sir Robert, someone controller of guided weapons and electronics with the former Ministry of Supply, was at the time involved in another, and less fortunate space project, the Blue Streak rocket.

Merriman is now also visiting professor in the Department of Electronic Science and Telecommunications at the University of Strathclyde.

The job of the MCC, of which the Post Office is a member, is to promote the more effective use of computers. The chairman-elect said last night that one of the main issues in the puterdom was "the immense and rapid growth of mini and micro-computers."

already started to help smaller business to share in the new machines' potential.

The illustration reproduced here is of the Cuckoo Combs or Common Squatter, described by "Bentley large" as "invades the nests of other birds and establishes rookeries wherever it is allowed to proliferate. Although its depredations have caused considerable damage, the author is reluctant to change its status as a protected species, with the result that it is now ousting the native population."

It is one of the cartoons in the *Haslemere Bird Watchers' Guide for 1977*, drawn by Ben Shallo for Fred Cleary's *Haslemere Estates*, the property developers' specialist period offices. The guide, which is really a calendar, also contains cartoons of the Left Tern or Sunny Jim, a sagacious old fowl whose plumage veers between light pink, light blue, and the True Blue Magpie, which "superstition" the Heath Harrier in 1974, when it was voted the most popular bird among suburban gardeners. Traditional Russian cuisine, Shallo writes, recommends

at Hawker Siddley's Chester works, the aircraft is one of the first of the new long-range Series 700 and is setting back the price at £1.2m. Wright will be paid an appropriate princely salary—thought to be more than £20,000—tax free.

Off the shelf

Business Diary shows the ritual prophecy mongering that grips newspapers at this time of year, but we do seem to have



roasting the Magpie "over a slow fire". There is also the Greater Plummer or Doedoe, characterized by long gestation periods and intermittent brooding, and the Drawing Bird or Lesser Architectus, whose nest-building skills have so deteriorated under the pressure of modern urban living that many species reject them altogether, hence the phrase "back to the drawing board".

The 1977 edition, which will cost £2.50 in paperback (it was 71p originally) and £6 in boards, originally Cameron's crusty assertion that "no Englishman has, since the days of the

ton, been known to boil an egg or a potato properly, except by an undesirable accident".

Spooner said, "Bentley large" an "alternative society" publisher, had not suppressed the remark as too illiberal for its market. He, like Business Diary, bought a copy of the original book in 1969, and this year, after the passage of time in question appeared to be missing.

We are sending him the relevant extract from our edition in case there is a second reprinting.

Fluctuation

White things were looking up for the pound before Christmas, Business Diary had no idea just how much the patient had improved since.

It was pleasant, therefore, on returning to the office after the new year holiday, to see in Castle Lary's City Diary 1977 that its list of foreign currencies showed sterling with a value of \$2.15, not to mention Swiss francs at 5.75 and Deutsche marks at 5.45.

A quick check, however, revealed that the diary's information is more than a year old. The exchange rates quoted are those of summer, 1975, and the respective rates for today are a franc looking \$1.70, with Swiss francs at 4.2 and 4 or 5 Deutsche marks to the pound. As the diary notes, rates are indeed "subject to fluctuation".

In London just in time for the penic season is the new branch manager for Saudi Arabian Airlines. His name is Aladdin.

Commercial brakes come off for the independent television network

The independent television network ends its twenty-first year of broadcasting in excellent financial shape but with strong rumblings of discontent from its customers which may not augur well for its future. The latest of the monthly net revenue figures produced for the 15 ITV companies for November, £26.2m, takes the total for the 11 months to £209.6m, or over 30 per cent ahead of the same figure for 1975.

December advertisement bookings have also been heavy. They are well ahead—by at least 15 per cent—of last year and are likely to bring the total for 1976 to over £230m. The contractors also report continuing demand for the first quarter of 1977, when takings may be up by 20 to 25 per cent compared with 1976.

All this is a dramatic turnaround from the dismal days of 1974 and early 1975 when collective takings dropped by over 10 per cent, and it looks as though it is going to be sustained to the point where the

Year	Amount (£m)	% change on previous year
1974	£149.2	-7.2
1975	£176.5	+18.3
1976*	£220.0	+30.0

old and bitterly resented description of commercial television as a "licence to print money" will again be used. For the improvement in earnings has been matched by the performance of profits. Advertisers have been wryly watching a successful ITV company annual reports chalking up dramatic gains during the year.

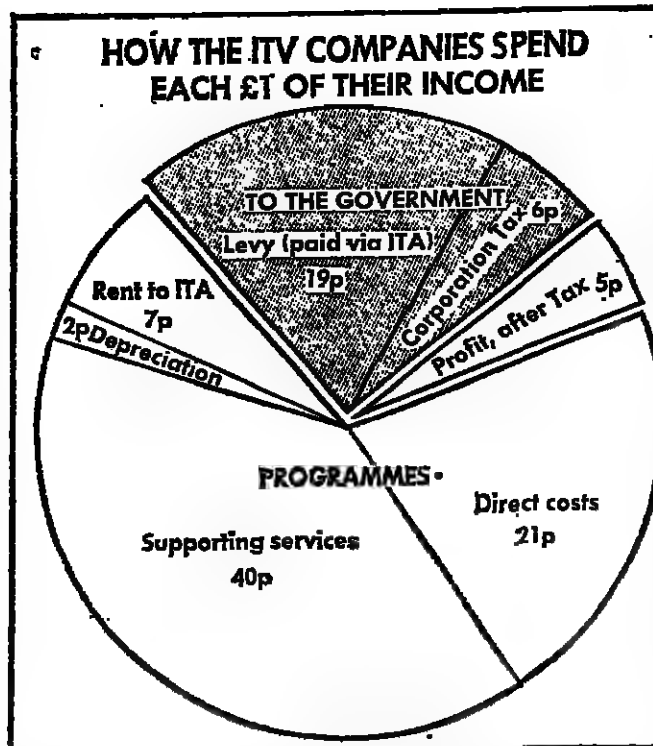
In October Thames Television, one of the largest of the contractors, reported a near doubling of pre-tax profits for the year ending June 30 to over £3.5m compared with £2.9m in the previous year and £4.6m in 1974. A month later the London contractor, LWT (Holdings), reported a pre-tax profit increase from £3.4m to £4.7m.

Just before Christmas the television section of the Granada group which serves Lancashire and Cheshire reported a rise in profits from £3.2m to over £4.5m. Similarly much improved results have been turned in by Harlech, Westward and Ulster.

Although substantially better, the ITV companies' profits are by no means large. This is because on top of normal company taxes the Government creates off a special levy which, in estimated, has contributed about £260m to the Exchequer since it was introduced in 1964. After much lobbying by the companies, the basis for assessing the levy was changed from percentage of advertising revenue, without taking profits into account, to, in mid-1974, a system based on profits instead of income.

Each company is allowed a slice of profits equal to 2 per cent of its advertising revenue or £250,000 whichever is the greater free of the levy. The remainder, under the new system, is subject to the levy at 66.7 per cent. The point of the change, the companies maintained, was that it provided a strong incentive to invest revenue in programmes.

The advertisers' sour reaction to the profit results is not due to envy, but because the improvement expected in programme output has not so far materialized. This was partly



due to exceptionally strong competition from the BBC (which expects to have made a loss of £10m in 1976) which not only outbid its ITV rivals for major viewing events like the Olympic Games but also for high rating entertainment series like *Kojak* and *Starsky and Hutch*.

However, ITV's failure to maintain viewer ratings cannot only be attributed to unwillingness to spend heavily. For some of the cheapest programmes like *Coronation Street* are among the most popular and some of the most expensive like

Dickens of London and *Destination America* did badly.

The advertisers' dissatisfaction with falling viewer ratings, down by an estimated 18 per cent on last year, was exacerbated by steep increases in the costs they were being asked to pay for airtime.

The actual rises in charges to advertisers are not immediately obvious, because dealing as they are with a highly perishable commodity—television airtime—advertisers have traditionally offered substantial discounts and big advertisers have been used to paying only 60 per

cent or less of the published rates. In 1976, on top of rate card rises of about 25 per cent, advertisers have seen their hidden discounts cut by half or more. One fairly large advertiser reports that his spring 1977 campaign has cost 40 per cent more than the same schedule a year earlier.

One of the main contributing factors is that the supply of television advertising space is strictly limited by the Independent Broadcasting Authority (to a maximum of six minutes per hour of broadcasting). A surge in demand such as that experienced during the past year is reflected in the reduction of discounts. There have also been accusations that contractors sometimes did not use all their airtime, in order to "harden" the market.

The situation has led to some strained relationships between advertisers and contractors during the past year. But threats of boycotting by the advertisers were largely empty if only because there was nowhere else they could turn.

Lack of real competition in ITV was an argument stressed by the advertising industry in its submission to the Annan Committee on the future of broadcasting when it recommended that the still untested fourth channel should carry advertisements.

Various recent leaks from the committee, due to report soon, suggest that the advertisers are unlikely to be granted their wish, but, along with the rest of the industry, they will have to wait and see if the present ITV structure must look to its laurels because of the entry of a competitor.

Patricia Tisdall

Not enough food to go round

It is now fashionable in Britain to say that the world food crisis is not as bad as it was once thought to be. There may be pockets in which tens of millions of people are starving, the view goes, but the spectre of a world congenitally incapable of feeding most of its people is exaggerated.

The plight of the hungry has impinged little on the British public consciousness even when frequently stressed. Playing it down encourages a relieved shrug and forgetfulness. Lord Walsingham, who is now writing a new book, *Dealing with Hunger*, to those concerned that "there should still be millions of starving people living in the world at the end of the twentieth century".

Lord Walsingham considers that world food supplies are now too "grossly inadequate levels" and that the world is not doing enough about it. He ranges widely and considers social as well as economic reasons for the low population growth rates of food production.

The world's peasant "farmers" and "farm labourers" still carry in most countries a certain amount of contempt, he writes. While in rich countries like Britain the richest urban families strive to find second homes in the countryside, the rural poor in many countries would be able to live and work in towns.

He recalls in a brief historical sketch that in the nineteenth century the history of British food policy took a different course from that of the rest of Europe, thanks to the strength of British influence outside Europe. By the end of the 19th century an average Englishman was near the top of the international league table.

Yet there were still millions of people in twentieth-century Britain who did not have enough to eat and this year, when wheat was being destroyed in the middle west

of the United States and when coffee was being burnt in the locomotives of Brazil.

Such comments, and the remark that it might sometimes "be well for the state to take over the land and become the landlord" remind the reader that Lord Walsingham is no ordinary farming peer. Described in the British farming press as "the socialist farming peer" he was a Labour parliamentary candidate before being made a life peer.

He accounts that state ownership as practised in the Soviet Union has failed to produce enough food for internal consumption. He rejects dogma and says that the pattern of ownership for each country should be decided according to its needs.

Lord Walsingham recommends that the state owns the land, tenant farmers should be able to pass on holdings to their children. "The tenants should have complete security of tenure provided the land is put to good use."

Like many authors who discuss world hunger, Lord Walsingham searches widely for material to support his case. Unlike most, he does so in a terse and coherent manner and is quick to do away with long dissertations about particular causes.

But if the evidence is strong the case itself is so abbreviated as to be almost trite. He wants more money and more respect for the business of food, and more money and more respect for the business of food, and more money and more respect for the business of food.

He wants the rich to eat less, smoke less and spend less on weapons. He does not demonstrate how they are to do this. But his book is a valuable statement of the message that "even if all available food supplies were equally distributed there would not be enough to go round".

Hugh Clayton

* Published by The Bodley Head; £3.50.

A prospect of petrodollars fuels Italian hopes

The Fiat deal with Libya has suddenly set tongues talking in Italy, as if the country's grave economic problems could now be solved overnight by a flood of petrodollars. Nothing is, of course, less true. Yet the deal may have paved the way for a steady investment interest on the part of oil producers who, for one reason or another, have hitherto shunned Italy.

There was disappointment at this lack of interest in many quarters in Italy after the post-1973 quadrupling of oil prices, especially as the late Signor Enrico Mattei of ENI established a kind of preferential relationship with the Third World in the 1950s when he broke the hold of the international oil companies—the "seven sisters" as he called them—through an agreement with Iran giving the host country a share and say in profits.

Throughout the years Italian companies certainly obtained their share of contracts with oil-producing countries, particularly in public works, construction and the oil industry. But this was due more to aggressiveness and competitive prices than to any innate preference.

After the oil crisis President Giovanni Leone visited Iran and Saudi Arabia, but returned virtually empty-handed. The oil producers, it seemed, saw better scope for their funds north of the Alps.

Change of atmosphere

Italy, it was often said, was too unstable economically and politically to make any investment commitment worth while. Italian accounting practices were too obscure to obtain an accurate picture of many companies' true financial situation. Italian money markets were too unsophisticated and, latterly, have been so hedged with restrictions in defence of the lira as to deter any thought of financial investment.

This atmosphere changed with the announcement in early December of the transaction whereby the Libyan Arab

Foreign Bank bought a 9.6 per cent share with an option to increase this later to more than 13 per cent, in Italy's biggest private company, which besides motor cars produces a wide range of goods in the mechanical, engineering, transportation, and armaments fields. In exchange, it is injecting \$415m (about £244m) in capital and loans, and will have two members on the board.

On a smaller scale, this announcement was soon followed by the news that an Iranian group, Rina, had bought from Bosch of West Germany an 80 per cent share in a Bergamo manufacturer of domestic appliances, Philco.

The financial structures now exist, both to expand trade and to finance capital investments. In addition to the foreign activities of Italian banks, the Unione Commerciale Italiana (UCI) (UBAE) has been operating since spring 1973 to facilitate operations with the Arab world.

A 51 per cent share is held by Union des Banques Arabes et Françaises de Paris, while the Libyan Arab Foreign Bank holds a further 7 per cent and supplies the chairman, Mr Abdulla Saudi. The remaining shares are in Italian hands—Banca di Roma, Banca Nazionale del Lavoro, the Icpu Public Credit Institute, and the parastatal corporations IRI and ENI. Though its activities are still on a small scale, its presence has psychological importance as a signpost for closer economic relations with the Arab world.

The new element on the horizon, however, is the prospect of using petrodollars in triangular arrangements to finance Italian exports to the communist world. Signor Giovanni Agnelli, Fiat chairman, aroused speculation about this when he flew to Moscow a few weeks ago to meet President Gaddafi of Libya, then on an official visit to the Soviet Union. Afterwards Signor Agnelli, in a newspaper interview, described such prospects as "a not unrealistic hypothesis", adding "the markets of the communist east are the most interesting today because they offer wide prospects."

With the Soviet Union, however, the main obstacle is that the Italian credit has run out and a recent visit here by a Soviet mission to seek \$650m extra credit facilities met with no apparent success. For the

Italians it would be a near solution if, as Signor Agnelli suggested, the Russians themselves could ask oil-producing countries to provide the necessary funds. "Among other things," he said, "Moscow can place on the negotiating table arguments which we do not have, and to which countries like Libya are most responsive."

Among petroleum producers the focus is on Libya, which has large funds available in relation to the size of population. For the Libyans, Italy is the best-known European country as well as its best foreign trade partner, supplying 28 per cent of Libyan imports.

Fiat deal well received

Despite some isolated cries that Italian industry risks being taken over by its former colon, the Fiat deal has generally been well received in Italy. An extraordinary Fiat shareholders' meeting has been called on January 18 to approve it. There should be no doubt of the outcome, provided embarrassing issues are avoided, such as possible arms supplies or any attempt to change the policy of Fiat's newspaper *La Stampa*, which in the past has often taken a pro-Israeli line.

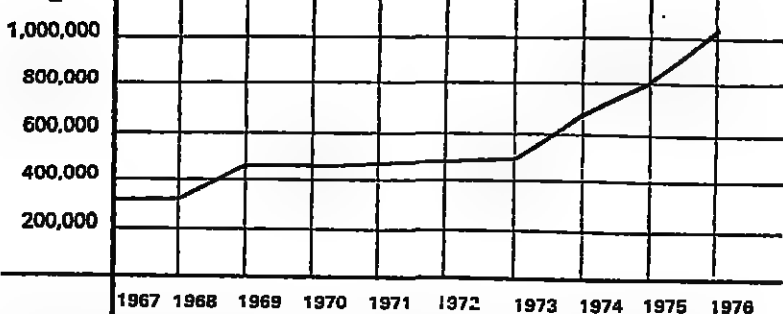
Before Christmas Signor Rinaldo Ossola, the Foreign Trade Minister, visited Tripoli to lay the groundwork for an economic and technical agreement, which may be signed in coming months in the first visit by an Italian Prime Minister.

Signor Ossola has also been in Iran, and is due to go next to Saudi Arabia, Nigeria and possibly Venezuela, to promote the flow of petrodollars in exchange for Italian exports of goods and services. One subject reported under discussion is to persuade oil countries to deposit funds for future purchases with the Bank of Italy, thus adding to Italian reserves.

All such policies, however, take time to bear fruit, and it would be wishful thinking to hope that the floodgates of petrodollars will now suddenly open wide.

THE MOSS ENGINEERING GROUP LIMITED

Profits break through the £1m



At present our internal budgets suggest the current year will produce results similar to its predecessor. On earlier occasions I have referred to our ability to write the best out of difficult situations and having done this in 1976, we have a fighting chance of producing further growth from 1977. In terms of both the present and the future, the Group is in good order: indeed we look forward, with eagerness, to the programme we have set ourselves.

ERNEST CARS
Chairman and Managing Director.

FINANCIAL NEWS AND MARKET REPORTS

CCA profits down 38 pc in Redman H accounts

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On the other hand shareholders' funds rose by more than the fall in the value of money during the year under CCA.

Redman's balance sheet has grown stronger, and the overdraft has fallen by £1.9m.

Total borrowings as a percentage of shareholders' funds dwindled from 60 per cent to 17 per cent.

Mr Angus Murray, chairman, takes the same cautious view as last year in his annual review. He states that order intake continues to be hesitant.

However, the group is hoping that all divisions will make this year, and reverse the trend of increasing home market sales as a proportion of turnover.

New Life Business

A big increase in new life business for 1976 is reported by the Prudential Assurance. New life assurances and annuities were effected with the group for new annual premium of £120.2m (£35m in 1975) and single premiums and annuities of £65.9m (£38.9m). Sums assured totalled £7,864m (£5,048m), while annuities per annum were £160.2m (£108.8m).

VICTORY REINSURANCE reports a 21 per cent increase in new sums assured for 1976 at £425m. New annual premiums were £2.1m (£2.3m) and single premiums £5.5m (£3.7m).

MEFORD LIFE the life and pension subsidiary of Zurich Insurance, reports sums assured of £71.94m for 1976 (£34.12m) and annuities of £207,000 (£147,000).

SUN ALLIANCE & LONDON Sun Alliance and London Insurance issued new life assurance and annuity policies in 1976 for annual premiums of £11.4m (£7.5m) and single premiums of £2.4m (£2m). These policies secured sums assured of £51.3m (£41.4m) and annuities of £20.2m (£14.5m pa).

MERCANTILE & GENERAL Net new sums assured for 1976, £2,150m (£1,400m). Net new annual premiums, £1.4m (£1.34m).

SCOTCH WIDOWS' Record net new annual premium income for 1976 for assurances and annuities, including group permanent health insurance schemes and pension schemes other than business effected through subsidiary, Pensions Management (SWF) and Exempt Unit Trust Scheme, was over £18.25m (£15.45m). New single premiums were over £5.5m (£5.35m).

LONDON LIFE ASSOC New annual premiums for 1976, £4.2m (£3.8m). New sums assured, £120.12m (£100.3m). Single premiums and considerations, £2.1m (£2.1m).

YORKSHIRE-GENERAL Yorkshire-General Life Assurance, the life company of General Accident, announced that in 1976 net new sums assured were written amounting to £799.25m (£518.72m in 1975) of which £518.72m (£307.65m) was in respect of ordinary life business and £280.53m (£145.65m) in respect of pension business.

Bank Base Rates

Berleys Bank ... 14%
Consolidated Credits ... 14%
First London Secs ... 14%
C. Hoare & Co ... 14%
Lloyds Bank ... 14%
Midland Bank ... 14%
Nat Westminster ... 14%
Rothmans Acc's ... 14%
Shenley Trust ... 16%
Williams & Glyn's ... 14%

* 7-day deposits on sums of £10,000 and under 11%
* 12-month deposits 11%
* 18-month deposits 11%
* 24-month deposits 11%
* 36-month deposits 11%
* 48-month deposits 11%
* 60-month deposits 11%
* 72-month deposits 11%
* 84-month deposits 11%
* 96-month deposits 11%
* 108-month deposits 11%
* 120-month deposits 11%
* 132-month deposits 11%
* 144-month deposits 11%
* 156-month deposits 11%
* 168-month deposits 11%
* 180-month deposits 11%
* 192-month deposits 11%
* 204-month deposits 11%
* 216-month deposits 11%
* 228-month deposits 11%
* 240-month deposits 11%
* 252-month deposits 11%
* 264-month deposits 11%
* 276-month deposits 11%
* 288-month deposits 11%
* 300-month deposits 11%

Herbert in Mexico

Machine-tool group Alfred Herbert is the major partner in a jointly-owned enterprise aimed to take advantage of an expansion planned for the industry in Mexico.

The partners are Nacional Financiera, a state bank, and Ingenieros Civiles Asociados, Mexico's largest private engineering group.

M. J. H. NIGHTINGALE & CO. LIMITED
62-63 Threadneedle Street, London EC2R 8BP. Tel: 01-638 8651

THE NEW THROGMORTON TRUST LTD.
January, 1977.

The net asset value per £1 of Capital Loan Stock is nil. Therefore the Tender Price is nil. Securities valued at mid-market prices.

Company

27 Airspring Ord ... 2.2
106 Airspring 181 GULS 106x1 ... 18.5
46 25 Armature & Rhodes ... 26
114 94 Deborah Ord ... 102
122 99 Deborah 474 GULS ... 12
62 45 Henry Sykes ... 42
233 190 Robert Jenkins ... 495
36 8 Twink Ord ... 11
67 45 Twink 12 GULS ... 51
63 48 Unilock Holdings ... 55
68 66 Walter Alexander ... 69

Commodities

COPPER was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

COAL was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

CRUDE OIL was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

WHEAT was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

BARLEY was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

RYE was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

MAIZE was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

SUGAR was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

CATTLE was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

PORK was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

BEEF was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

LAMB was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

BUTTER was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

CHEESE was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

EGGS were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

POULTRY was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

FISH was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

VEGETABLES were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

FRUIT was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

SPICES were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

HERBS were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

SEEDS were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

GRAIN was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

BEANS were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

PEAS were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

LENTILS were steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

CHICKEN was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

DUCK was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

GOOSE was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

SWINE was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

WILDLIFE was steady, cash wire bars selling at 25.25, three months selling at 25.25, six months at 25.25, and one year at 25.25.

Foreign Exchange

The dollar recovered much of the ground lost on Monday and early yesterday in thin European trading helped by widespread moderate central bank support in several centres, notably Germany and Switzerland, dealers said.

Sterling, which held firm against the dollar when it was weakening, gained against it in the United States when it began to recover. The pound closed at \$1.085, a gain of 68 points on Friday.

The "effective devaluation" rate was 44.1 per cent. The mark closed at 2.3445/\$ to the dollar after trading as high as 2.3375 in the morning, while other European currencies followed a similar pattern.

Turning to steady demand from all quarters, helped by high short-term Eurodollar interest rates, which recently led to buying of United Kingdom government stock by foreign holders.

The Canadian dollar was firm, moving up to a late 99.55/\$ to the dollar after trading as high as 99.59/\$ on Friday.

Gold closed in London at \$135.50.

Spot Position of Sterling

Market rates (Jan 4/77)

1 month 1.0850
3 months 1.0850
6 months 1.0850
1 year 1.0850

Forward Levels

1 month 1.0850
3 months 1.0850
6 months 1.0850
1 year 1.0850

UK metal stocks

Stocks in London Metal Exchange official warehouses at the end of last week (all in tonnes except alloy) were: Copper 3,675 to 6,037; tin 3,675 to 5,350; lead down 3,425 to 65,875; silver down 3,975 to 89,175; silver 3,975 to 89,175.

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However, the group is hoping that all divisions will make this year, and reverse the trend of increasing home market sales as a proportion of turnover.

New Bank of America fund

Bank of America International has announced the formation of a new fund, the World Income Fund. The fund's objective is to secure a good income from an international spread of fixed interest holdings and is seen by the managers as a competitor to Eurodeposits. The minimum investment is \$5,000 and the initial fee is 1 per cent. It is not available to United Kingdom residents.

CMT opens brightly

Record final-quarter profits helped Central Manufacturing & Trading Group to a best-ever profit of £5.5m before tax in 1976/7, but Mr Norman Hickman is cautious. He says in his annual statement that the upward trend in the United Kingdom economy as a whole has not yet been fully confirmed. But both sales and orders show a "healthy" increase.

Forward Levels

1 month 1.0850
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1 year 1.0850

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Discount market

Credit remained short in Lombard Street yesterday although on nothing like the scale of the past couple of weeks. On what is likely to be the easiest day of the week, the Bank of England gave a moderate amount of assistance to money markets.

The Bank bought a small amount of Treasury bills and local authority bills directly from the houses and also lent for purely technical reasons—a small sum overnight to five or six houses at MLR (144 per cent). This was reckoned to have been sufficient to meet the market's requirements and may even have left the banks with a small sum to carry over to today when gilt and loan settlements will probably make things quite tight again.

A net take-up of Treasury bills and commercial bills was estimated at £100m on Friday, but the market was not expected to be particularly favourable for the Bank's requirements.

The Bank's programme of help enabled closing balances to be found anywhere from 131 down to 12 per cent.

Money Market Rates

Bank of England Minimum Lending Rate 10 1/2%
Clearing Bank Rate 14 1/2%
Overnight 10 1/2%
Week Ending 10 1/2%

Spot Position of Sterling

Market rates (Jan 4/77)

1 month 1.0850
3 months 1.0850
6 months 1.0850
1 year 1.0850

Forward Levels

1 month 1.0850
3 months 1.0850
6 months 1.0850
1 year 1.0850

UK metal stocks

Stocks in London Metal Exchange official warehouses at the end of last week (all in tonnes except alloy) were: Copper 3,675 to 6,037; tin 3,675 to 5,350; lead down 3,425 to 65,875; silver down 3,975 to 89,175; silver 3,975 to 89,175.

Gold

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Herbert in Mexico

Machine-tool group Alfred Herbert is the major partner in a jointly-owned enterprise aimed to take advantage of an expansion planned for the industry in Mexico.

The partners are Nacional Financiera, a state bank, and Ingenieros Civiles Asociados, Mexico's largest private engineering group.

CCA profits down 38 pc in Redman H accounts

Current cost accounting would have cut Redman Heenan International's historic pre-tax profits for the year to September 30 by 38 per cent, according to the latest annual report.

In what must be the first to include accounts drawn up in line with the Accounting Standards Committee's Exposure Draft 18, pre-tax profits should have fallen from £2,240m on an historic basis to £1,425m under CCA.

On the other hand shareholders' funds rose by more than the fall in the value of money during the year under CCA.

Redman's balance sheet has grown stronger, and the overdraft has fallen by £1.9m.

Total borrowings as a percentage of shareholders' funds dwindled from 60 per cent to 17 per cent.

Mr Angus Murray, chairman, takes the same cautious view as last year in his annual review. He states that order intake continues to be hesitant.

However, the group is hoping that all divisions will make this year, and reverse the trend of increasing home market sales as a proportion of turnover.

New Bank of America fund

Bank of America International has announced the formation of a new fund, the World Income Fund. The fund's objective is to secure a good income from an international spread of fixed interest holdings and is seen by the managers as a competitor to Eurodeposits. The minimum investment is \$5,000 and the initial fee is 1 per cent. It is not available to United Kingdom residents.

CMT opens brightly

Record final-quarter profits helped Central Manufacturing & Trading Group to a best-ever profit of £5.5m before tax in 1976/7, but Mr Norman Hickman is cautious. He says in his annual statement that the upward trend in the United Kingdom economy as a whole has not yet been fully confirmed. But both sales and orders show a "healthy" increase.

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Wall Street

New York, Jan 4.—Prices were mixed, continuing the pattern established in the previous session. Analysts said that sporadic profit-taking was being matched by general optimism about the economic outlook.

But analysts believed that some investors were merely waiting for President-elect Carter to outline his economic package.

Advances outpaced declines by more than 100 issues, but popular market averages showed little change.

Silver gains 6 cents

New York, Jan 4.—Silver futures advanced 6 cents to 4.40, higher on speculation that the Federal Reserve might buy silver to meet its requirements.

The Bank of America International has announced the formation of a new fund, the World Income Fund. The fund's objective is to secure a good income from an international spread of fixed interest holdings and is seen by the managers as a competitor to Eurodeposits. The minimum investment is \$5,000 and the initial fee is 1 per cent. It is not available to United Kingdom residents.

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Gold

Gold in London Metal Exchange official warehouses at the end of last week (all in tonnes except alloy) were: Copper 3,67

Stock Exchange Prices

All-round advance

ACCOUNT DAYS: Dealings Began Jan 4. Dealings End, Jan 14. § Contango Day, Jan 17. Settlement Day, Jan 21.
§ Forward bargains are permitted on two previous days.

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